

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG ELECTRIC LOGS ☒ FIL ☒ WATER SANDS LOCATION INSPECTED SUB. REPORT/abd.

Chg of opn 4-8-88

DATE FILED 11-06-86

LAND: FEE & PATENTED

STATE LEASE NO.

PUBLIC LEASE NO.

U-56186

INDIAN

DRILLING APPROVED: 11-06-86 - Exception Location

SPUDDED IN: 11-19-86

COMPLETED: 12-28-86 POW OUT TO PRODUCING: 12-7-86

INITIAL PRODUCTION: 1339 BOPD 1094 MCF 28 BWPD

GRAVITY A.P.I. 41°

GOR: 802:1

PRODUCING ZONES: 5723-89' 15m4

TOTAL DEPTH: 6095'

WELL ELEVATION: 5082' GR

DATE ABANDONED:

FIELD: ~~WILDCAT~~ Kachina 4-87

UNIT:

COUNTY: SAN JUAN

WELL NO.: ARABIAN FEDERAL 2

API #43-037-31282

LOCATION 2180' FSL

FT. FROM (N) (S) LINE.

950' FWL

FT. FROM (E) (W) LINE.

NW SW

1/4 - 1/4 SEC.

19

| TWP. | RGE. | SEC. | OPERATOR | TWP. | RGE. | SEC. | OPERATOR |
|------|------|------|----------|------|------|------|----------|
|------|------|------|----------|------|------|------|----------|

38S

24E

19

Mendian Oil Inc
ABO PETROLEUM CORP

GEOLOGIC TOPS:

| | | | | |
|----------------|-----------------|------------------------------------|------------|-------------------|
| QUATERNARY | Star Point | Chinle | 1856 | Molas |
| Alluvium | Wahweap | Shinarump | | Manning Canyon |
| Lake beds | Masuk | Moenkopi | | Mississippian |
| Pleistocene | Colorado | Sinbad | | Humbug |
| Lake beds | Sego | PERMIAN | | Brazer |
| TERTIARY | Buck Tongue | Kaibab | | Pilot Shale |
| Pliocene | Castlegate | Coconino | | Madison |
| Salt Lake | Mancos | Cutler | 2700 | Leadville |
| Oligocene | Upper | Hoskinnini | | Redwall |
| Norwood | Middle | DeChelly | | DEVONIAN |
| Eocene | Lower | White Rim | | Upper |
| Duchesne River | Emery | Organ Rock | | Middle |
| Uinta | Blue Gate | Cedar Mesa | | Lower |
| Bridger | Ferron | Halgaite Tongue | | Ouray |
| Green River | Frontier | Phosphoria | | Elbert |
| | Dakota | Park City | | McCracken |
| | Burro Canyon | Rico (Goodridge) | | Aneth |
| | Cedar Mountain | Supai | | Simonson Dolomite |
| | Buckhorn | Wolfcamp | | Sevy Dolomite |
| Wasatch | JURASSIC | CARBON I FEROUS | | North Point |
| Stone Cabin | Morrison | Pennsylvanian | | SILURIAN |
| Cotton | Salt Wash | Oquirrh | | Laketown Dolomite |
| Flagstaff | San Rafael Gr. | Weber | | ORDOVICIAN |
| North Horn | Summerville | Morgan | | Eureka Quartzite |
| Almy | Bluff Sandstone | Hermosa | | Pogonip Limestone |
| Paleocene | Curtis | MONAHEK TRAIL | 4120 | CAMBRIAN |
| Current Creek | Entrada | Pardox | 5846 | Lynch |
| North Horn | Moab Tongue | Ismy | UPPER 5896 | Bowman |
| CRETACEOUS | Carmel | Deer Creek LOWER ISMY | 5866 | Tapeats |
| Montana | Glen Canyon Gr. | Atoka UPPER DSCR | 5934 | Ophir |
| Mesaverde | Navajo | Banker Creek LOWER DSCR | 6016 | Tintic |
| Price River | Kayenta | ARKAN | 6061 | PRE - CAMBRIAN |
| Blackhawk | Wingate | Bank Creek TD | 6095 | |
| | TRIASSIC | | | |

CONFIDENTIAL

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER

TITE HOLE

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Abo Petroleum Corporation

3. ADDRESS OF OPERATOR

105 South Fourth Street - Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

2180' FSL + 950' FWL

UNORTHODOX LOCATION

At proposed prod. zone

Same

PROPER PAPERWORK HAS BEEN SENT TO THE
STATE OF UTAH

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 5 miles northwest of Hatch Trading Post, Utah

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

950'

16. NO. OF ACRES IN LEASE

3300

17. NO. OF ACRES ASSIGNED
TO THIS WELL

80

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

6200'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5082 GR

22. APPROX. DATE WORK WILL START*

ASAP.

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|-----------------------|
| 17-1/2" | 13-3/8" | 48# H-40 | Approx. 108' | 50 sacks |
| 11" | 8-5/8" | 32# J-55 | " 2075' | 800 sacks - circulate |
| 7-7/8" | 5-1/2" | 15.5# J-55 | TD | 400 sacks |

We propose to drill and test the Akah and intermediate formations. Approximately 2075' of intermediate casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: Fresh water to 5500'; fresh water gel to TD

BOP PROGRAM: BOP's will be nipped up when intermediate casing

RECEIVED
NOV 06 1986

DIVISION OF
OIL, GAS & MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

C. J. Cowan

TITLE Regulatory Agent

DATE Oct. 31, 1986

(This space for Federal or State office use)

PERMIT NO.

43-037-31282

APPROVAL DATE

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

APPROVED BY

TITLE

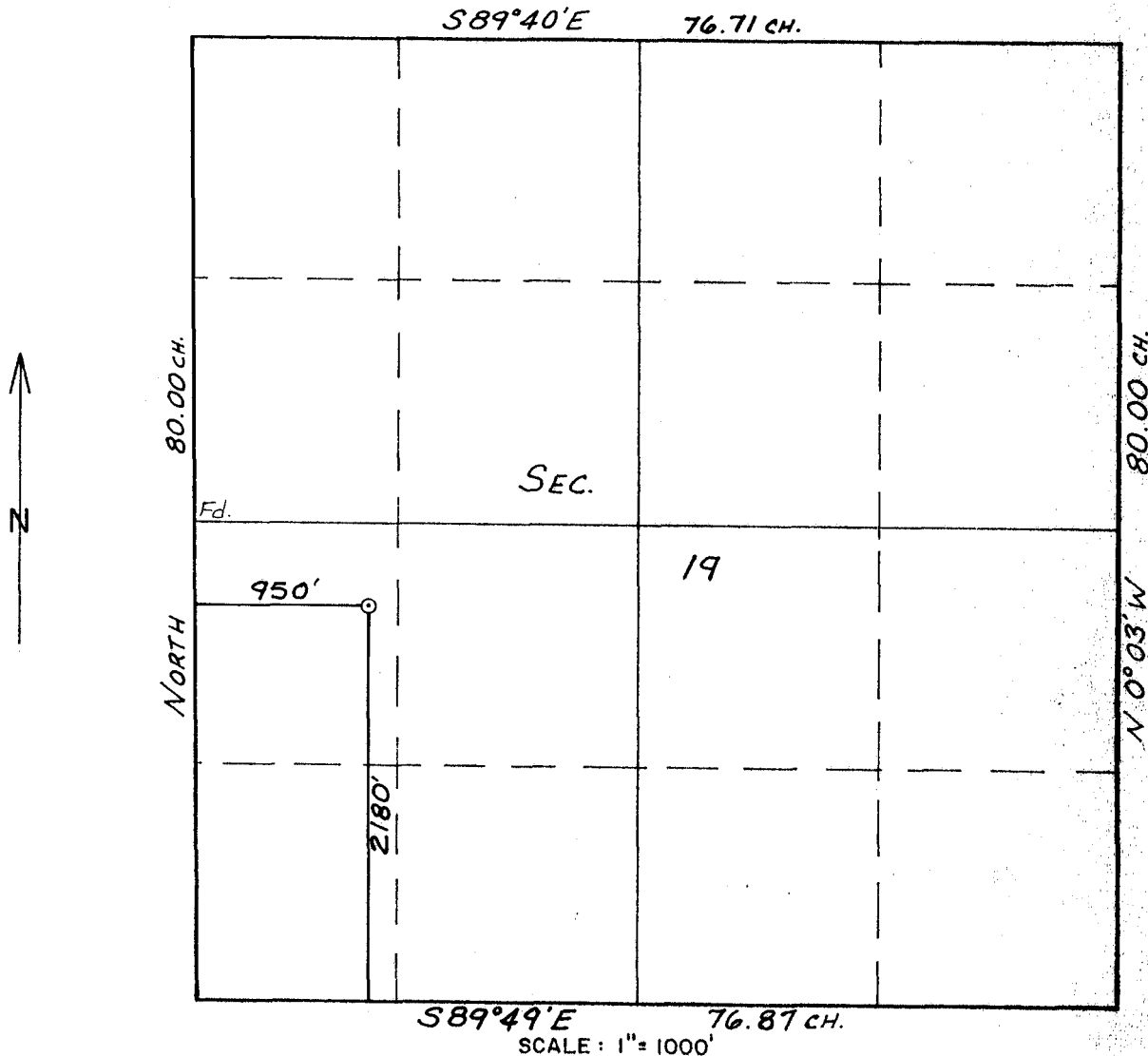
DATE 11-10-86

BY John R. Balle

WELL SPACING: 302.1

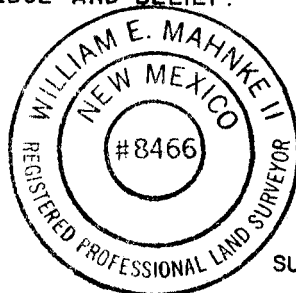
*See Instructions On Reverse Side

COMPANY ABO PETROLEUM CORPORATION
LEASE ARABIAN FEDERAL WELL NO. 2
SEC. 19, T. 38 S, R. 24 E
COUNTY San Juan STATE Utah
LOCATION 2180' FSL & 950' FWL
ELEVATION 5082



THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD
NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION
AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY
KNOWLEDGE AND BELIEF.

SEAL:



William E. Mahnke II
WILLIAM E. MAHNKE II
NEW MEXICO P.L.S. NO 8466

SURVEYED November 4, 19 86

Nov 5, 1986

Division of Oil, Gas, and Mining
3 Triad Center
Suite 350
Salt Lake City, UT 84180-1203
Attention: Ms Arlene Sallis

RECEIVED
NOV 06 1986

DIVISION OF
OIL, GAS & MINING

Re ABO Petroleum Corporations
Arabian Federal #2

Dear Ms Sallis,

Per our conversation on or about 10-31-86, enclosed please find Abo Petroleum Corporation's APD the Arabian Federal #2, located 2080' FSL + 950' FWL (NW/SW) Sec 19-T38S-R24E, San Juan County, Utah (Montezuma Creek top sheet). This section is short on the west side by approx 216'.

Abo Petroleum Corporation hereby requests an exception to Rule 302 of the Oil and Gas Conservation's general rules, regulations, and orders. Abo is asking for favorable approval for the above location by the State of Utah, Division of Oil, Gas and Mining. For Geological reasons it is extremely important this well be placed here to assure maximum production upon completion.

Please contact our Geologist Steve Speer at Yates (505) 748-1471 if further information is required by you. Also, for topographical the well must be placed here. Alkali Draw is located approx 150' from east side of location. (Note map w/APD Exhibit D)

We would appreciate anything that could be done by your office to expediate the approval process.

Please send the approved paperwork to our field representative, Mr Jim Krogman, in care of the Sands Motor Motel, 1000 E. Main St. Cortez CO. 81321. Thank you for your cooperation in this matter.

Sincerely,

Cy

Cy Cowan

Regulatory Agent

CC: CC

Enclosures

P.S.

Sorry about the hen scratching they repossessed the last typewriter yesterday!!!

ABO PETROLEUM CORPORATION
Arabian Federal #2
2180' FSL + 950 FWL
Section 19-T38S-R24E
San Juan County, Utah

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Abo Petroleum Corporation submits the following ten items of pertinent information in accordance with BLM requirements.

1. The geologic surface formation is the Morrison formation.
2. The estimated tops of geologic markers are as follows:

| | | | |
|-------------|---------|--------------|-------|
| Morrison | Surface | Top Porosity | 5765' |
| Entrada | 762' | A Shale | 5827' |
| Navajo | 945' | Lower Ismay | 5848' |
| Chinle | 1925' | Desert Creek | 5922' |
| Shinarump | 2803' | Chimney Rock | 6010' |
| Cutler | 2925' | Akah | 6034' |
| Hermosa | 4763' | TD | 6200' |
| Upper Ismay | 5695' | | |

3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered are:

Water: 950'

Oil or Gas: Upper Ismay 5695'; Lower Ismay 5848'; Desert Creek 5922'

4. Proposed Cementing Program:

Surface Casing: There will be one stage of cement. Cemented with 800 sacks of Class C 2% CaCl₂ (600 cubic feet of cement) circulated. Casing shoe will be set at 2075' and float equipment set at approximately 2035'.

Production Casing: There will be one stage or as warranted of cement. Cemented with enough Class C to equal 215 cubic feet or approximately 285 sacks to reach est. top at 5000'. Float collar will be set at approx. 40' above TD with casing shoe set at TD.

NOTE: SAN JUAN RESOURCE AREA WILL BE NOTIFIED ONE (1) DAY PRIOR TO RUNNING CASING STRINGS, CEMENT AND PRESSURE TESTING.

5. Pressure Control Equipment: BOP's will be installed.

6. Mud Program:

| <u>DEPTH</u> | <u>TYPE</u> | <u>WEIGHT #/GAL.</u> | <u>VIS. sec/qt</u> | <u>FLUID LOSS (cc)</u> |
|--------------|---------------|----------------------|--------------------|------------------------|
| 0-5500' | FW | | | |
| 5500-TD | FW gel/starch | 8.5-9.8 | 35-45 | 10-15 |

7. Auxiliary Equipment: Kelly cock; pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connection.

8. Testing, Logging and Coring Program:

Samples: 10' samples caught out from under surface casing to TD
 DST's: Two (2) possible
 Coring: None
 Logging: DIL & CNL/LDT from TD to casing. Possible dipmeter and sonic.

9. No abnormal pressures or temperatures are anticipated.

10. Anticipated starting date: As soon as possible after approval.

MOAB DISTRICT

CONDITIONS OF APPROVAL FOR PERMIT TO DRILL

Company _____ Well Name _____

Location: Section _____ Township _____ Range _____

County _____ State _____ Lease No. _____

_____ F L, _____ F L

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

A. DRILLING PROGRAM:

1. Surface Formation and Estimated Formation Tops: _____

2. Estimated Depth at Which Oil, Gas, Water or Other Minerals Bearing Zones are Expected to be Encountered:

| | <u>Formation</u> | <u>Zone</u> |
|--------------------------|------------------|-------------|
| Expected Oil Zones: | _____ | _____ |
| Expected Gas Zones: | _____ | _____ |
| Expected Water Zones: | _____ | _____ |
| Expected Minerals Zones: | _____ | _____ |

All fresh water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth, cased and cemented. All oil and gas shows will be tested to determine commercial potential.

3. Pressure Control Equipment: _____

3. CONTINUED:

BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout preventor controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. Preventors will be pressure tested before drilling casing cement plugs. The San Juan Resource Area (will/will not be notified _____ days before pressure testing.

4. Casing Program and Auxiliary Equipment: _____

Anticipated cements tops will be reported as to depth, not the expected number of sacks. The San Juan Resource Area (will/will not) be notified _____ days before running casing strings and cement.

5. Mud Program and Circulating Medium: _____

6. Coring, Logging and Testing Program: _____

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analysis, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. If requested, samples (cuttings, fluids and/or gases) will be submitted to the District Manager.

7. Abnormal Conditions, Bottom Hole Pressures and Potential Hazards: _____

8. Anticipated Starting Dates and Notifications of Operations:

The operator will contact the San Juan Resource Area at 801-587-2001, 48 hours before beginning any dirt work.

No location will be constructed or moved, no well will be plugged and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the District Manager. If operations are to be suspended, prior approval of the District Manager will be obtained and notification given before resumption of operations.

The spud date will be reported orally to the San Juan Area Manager, a minimum of 24 hours before spudding. A Sundry Notice (Form 3160-5) will be sent within 24 hours after spudding, reporting the spud date and time. The Sundry will be sent to the District Manager. If the spudding is on a weekend or holiday, the Sundry will be submitted on the following regular work day.

In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 9-329 "Monthly Report of Operations," starting with the month in which operations begin and continue each month until the well is physically plugged and abandoned. This report will be sent to the BLM District Office, P. O. Box 970, Moab, Utah 84532.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported to the Resource Area in accordance with requirements of NTL-3A.

If a replacement rig is planned for completion operations, a Sundry Notice (Form 3160-5) to that effect will be filed, for prior approval of the District Manager. All conditions of this approved plan are applicable during all operations conducted with the replacement rig. In emergencies, verbal approval can be given by the District Petroleum Engineer.

If the well is successfully completed for production, then the District Manager will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than 5 business days following the date on which the well is placed on production.

No well abandonment operations will begin without the prior approval of the District Manager. In the case of newly drilled dry holes or failures, and in emergencies, oral approval will be obtained from the District Petroleum Engineer. A "Subsequent Report of Abandonment" (Form 3160-5), will be filed with the District Manager within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration.

Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the San Juan Area Manager, or the appropriate surface manager.

Approval to vent/flare gas during initial well evaluation will be obtained from the District Office. This preliminary approval will not exceed 30 days or 50 MMCF gas. Approval to vent/flare beyond this initial test period will require District Office approval pursuant to guidelines in NTL-4A.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. The following information will be permanently beaded-on with a welding torch: Fed, Well number, location by 1/4 1/4 section, township and range, lease number.

A first production conference will be scheduled within 15 days after receipt of the first production notice. The San Juan Area Manager will schedule the conference.

Other: The following may be inspected and/or witnessed:

1. The cementing and testing of surface casing and testing BOP's.
2. (Dry Hole) Setting and testing of surface casing shoe plug.
3. (Depleted Producer) The setting and testing of plugs across the producing horizon and if applicable the surface casing shoe plug and/or annulus (Casing to formation) squeeze jobs.

Notify the San Juan Resource Area (Mike Wade) one day or on dry hole as soon as possible prior to the above at 801-587-2201 (Home 801-587-2026 or if unable to reach Mike, call Moab District Office Greg Noble at 801-259-6111 (Home) 801-259-8811.

B. THIRTEEN POINT SURFACE USE PLAN

1. Existing Roads: Shown in red
 - A. Location of proposed well in relation to town or other reference point:
Approximately 5 miles north of Hatch Trading Post
 - B. Proposed route to location: Refer to Exhibit A.
 - C. Plans for improvement and/or maintenance of existing roads: County
maintained road. Existing and new access will be maintained in good or
better condition.
The maximum total disturbed width will be 25 feet.
 - D. An encroachment permit will be obtained from the San Juan County Road Department, 801-587-2231, ext. 43.
 - E. Other: All roads in S/2 of Section 19 will be on private surface with
Mr. Richard Perkins as owner. Agreement will be reached with him for
maintenance of road. A copy of agreement with Meridian Oil, Inc. will
also be sent.

2. PLANNED ACCESS ROADS Shown in RED

- A. The maximum total disturbed width will be 25 (width) feet.
- B. Maximum grade: 10% or less
- C. Turnouts: As needed
- D. Location (centerline): Flagged
- E. Drainage: As needed
- F. Surface Materials: Native
- G. Other: If well is drilled during wet weather conditions, surfacing materials may be required.

Each fence which is crossed by the road will be braced as shown in Enclosure No. 1, and tied off before cutting to prevent slackening of the wire. A gate or cattleguard which must be approved by BLM, will be installed.

If road construction cuts through natural topography which serves as a livestock barrier, a fence shall be constructed as shown in Enclosure 1.

Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance by the San Juan Area Manager.

The access road will be water barred or brought to Class III Road Standards within 60 days of dismantling of the drill rig. If this time frame cannot be met, the San Juan Area Manager will be notified so that temporary drainage control can be installed along the access road.

The Class III Road Standards which ensure drainage control over the entire road through the use of natural, rolling topography; ditch turnouts; drainage dips; outsloping; crowning; low water crossings; and culverts will be determined at the appropriate field inspection.

3. Location of Existing Wells: See One-Mile radius map. Exhibit E is enclosed.

4. Location of Tank Batteries and Production Facilities: On Private Surface

All permanent (on site for 6 months or longer) above ground facilities (including pump jacks) will be painted a flat, nonreflective, earthtone color to match the standard environmental colors, as determined by the Rocky Mountain 5-State Inter-agency Committee. All facilities will be painted within 6 months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The color will be LA.

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1-1/2 times the storage capacity of the battery.

All loading lines will be placed inside the berm surrounding the tank battery.

All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place before any deliveries. Tests for meter accuracy will be conducted monthly for the first 3 months on new meter installations and at least quarterly thereafter. The San Juan Area Manager will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the San Juan Area Manager. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.

5. LOCATION AND TYPE OF WATER SUPPLY

All water needed for drilling purposes will be obtained from: Private source.

Use of water for this operation will be approved by obtaining a temporary use permit from the Utah State Engineer (801) 637-1303 and by receiving permission from the land owner or surface management agency to use the land containing the water source.

6. SOURCE OF CONSTRUCTION MATERIALS

Pad construction material will be obtained from: N/A Private surface

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3. Construction material (will/will not) be located on lease.

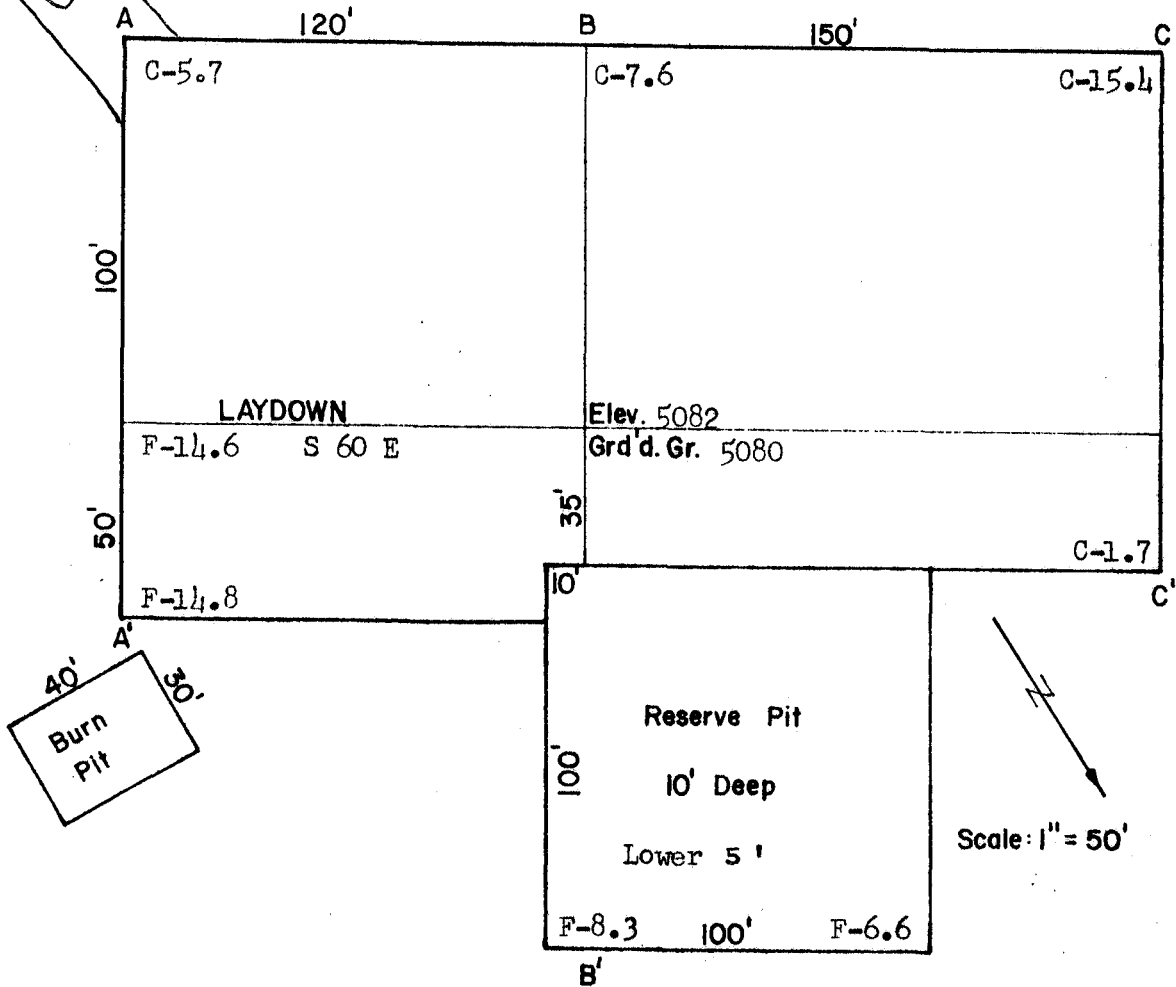
7. METHODS OF HANDLING WASTE DISPOSAL

The reserve pit (~~will~~/will not) be lined with commercial bentonite sufficient to prevent seepage. At least half of the capacity will be in cut.

Three sides of the reserve pit will be fenced with four strands of barbed wire before drilling starts. The fourth side will be fenced as soon as the drilling is completed. The fence will be kept in good repair while the pit is drying.

ABO PETROLEUM CORPORATION
 ARABIAN FEDERAL #2
 2180' FSL & 950' FWL
 Sec. 19 T38S R24E
 San Juan Co., Utah
 Exhibit A

ROAD



| A-A' | Vert.: 1" = 30' | Horiz.: 1" = 100' | C/L |
|------|-----------------|-------------------|-----|
| 5085 | | | |
| 5075 | | | |
| | | | |
| B-B' | | | |
| 5085 | | | |
| 5075 | | | |
| | | | |
| C-C' | | | |
| 5085 | | | |
| 5075 | | | |
| | | | |

7. CONTINUED:

A trash pit will be constructed near the mud tanks and dug at least six feet into solid undisturbed material. It will be totally enclosed with a fine wire mesh before the rig moves in. The road and pad will be kept litter free.

A burning permit is required for burning trash between May 1 and October 31. This can be acquired by contact the San Juan County Sheriff in Monticello, Utah.

Produced waste water will be confined to a (lined/unlined) pit for a period not to exceed 90 days after initial production. During the 90 day period an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the District Manager's approval pursuant to Onshore Oil and Gas Order No. 3 (NTL-2B).

8. ANCILLARY FACILITIES

Camp facilities (~~will~~/will not) be required. They will be located: N/A

9. WELL SITE LAYOUT

The reserve pit will be located: Private surface; Note Exhibit C

The top 6 inches of soil material will be removed from the location and stockpiled separate from the trees on the _____ side. Topsoil along the access will be reserved in place.

Access to the well pad will be from: South east corner of the drilling pad

10. RECLAMATION

- A. Immediately on completion of drilling, all trash and debris will be collected from the location and surrounding area. All trash and debris will be disposed of in the trash pit and will then be compacted and buried under a minimum of two feet of compacted soil.
- B. The operator/holder or his contractor will contact the San Juan Resource Area office in Monticello, Utah, 801-587-2201, 48 hours before starting reclamation work that involves earthmoving equipment and upon completion of restoration measures.
- C. Before any dirt work to restore the location takes place, the reserve pit must be completely dry.
- D. All disturbed areas will be recontoured to blend as nearly as possible with the natural topography. This includes removing all berms and refilling all cuts.
- E. The stockpiled topsoil will be spread evenly over the disturbed area. All disturbed areas will be ripped 6 inches deep with the contour.
- F. Water bars will be built as follows to control erosion.

12. CONTINUED:

There will be no change from the proposed drilling and/or workover program without prior approval from the District Manager. Safe drilling and operating practices must be used. All wells, whether drilling, producing, suspended or abandoned will be identified in accordance with 43 CFR 3162.2.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3164.

The dirt contractor will be provided with an approved copy of the surface use plan.

If subsurface cultural materials are exposed during construction, work in that spot will stop immediately and the San Juan Resource Area Office will be contacted. All people who are in the area will be informed by the operator/holder that they are subject to prosecution for disturbing archaeological sites or picking up artifacts. Salvage or excavation of identified archaeological sites will be done by a BLM approved archaeologist only if damage occurs.

This permit will be valid for a period of one year from the date of approval. After permit termination a new application will be filed for approval for any future operations.

Your contact with the District Office is: _____

Office Phone: _____ Address: _____

Resource Area Manager's address and contacts:
Address: _____

Your contact is: _____

Office Phone: _____

13. LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION
Representative:

Name: Abo Petroleum Corporation
Address: 105 South Fourth St. - Artesia, NM 88210
Phone No. 505-748-1471

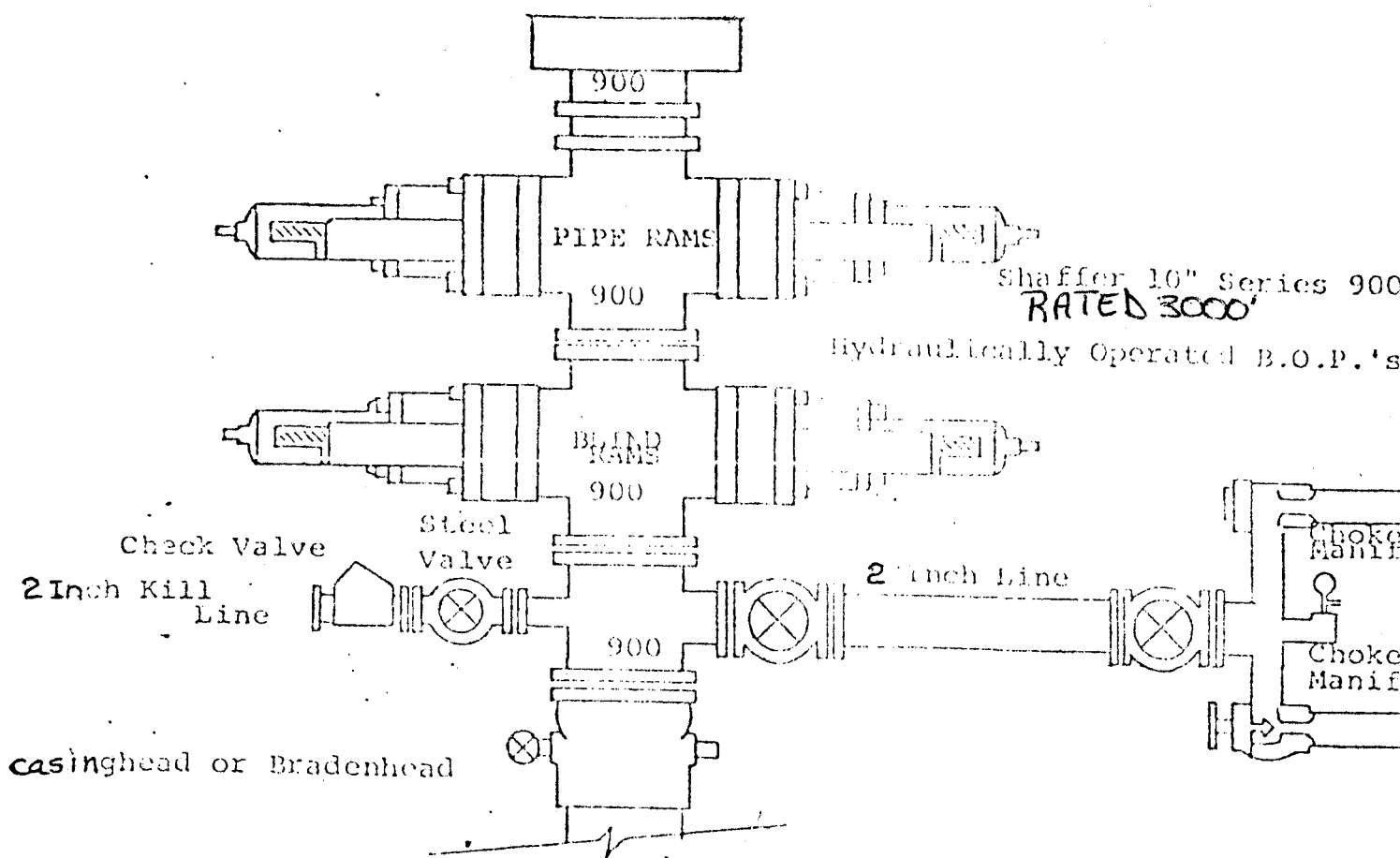
Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Abo Petroleum Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Nov 5, 1986
Date

Cy Cowan
Cy Cowan
Regulatory Agent

Exhibit B



FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- All preventers to be hydraulically operated with secondary manual control installed prior to drilling out from under casing.
- Choke outlet to be a minimum of 2" diameter.
- Kill line to be of all steel construction of 2" minimum diameter.
- All connections from operating manifolds to preventers to be all steel.
- hole or tube a minimum of one inch in diameter.
- The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the B.O.P.'s.
- All connections to and from preventer to have a pressure rating equivalent to that of the B.O.P.'s.
- Inside blowout preventer to be available on rig floor.
- Operating controls located a safe distance from the rig floor.
- hole must be kept filled on trips below intermediate casing. Operator not responsible for blowouts resulting from not keeping hole full.
- B. P. float must be installed and used below zone of first gas intrusion.

COLEMAN DRILLING CO.

FRONT OF RIG NO. 3

Exhibit C

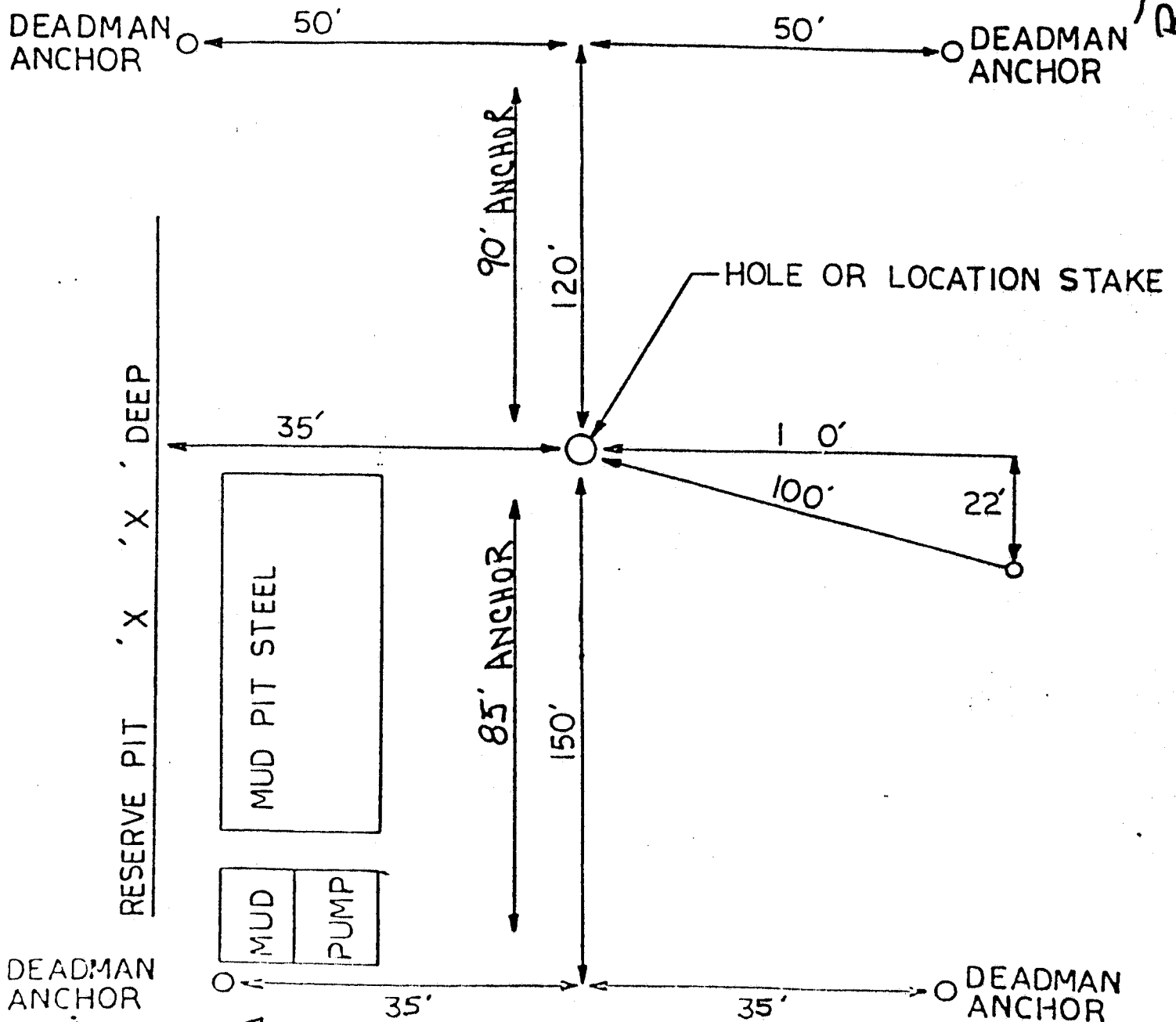
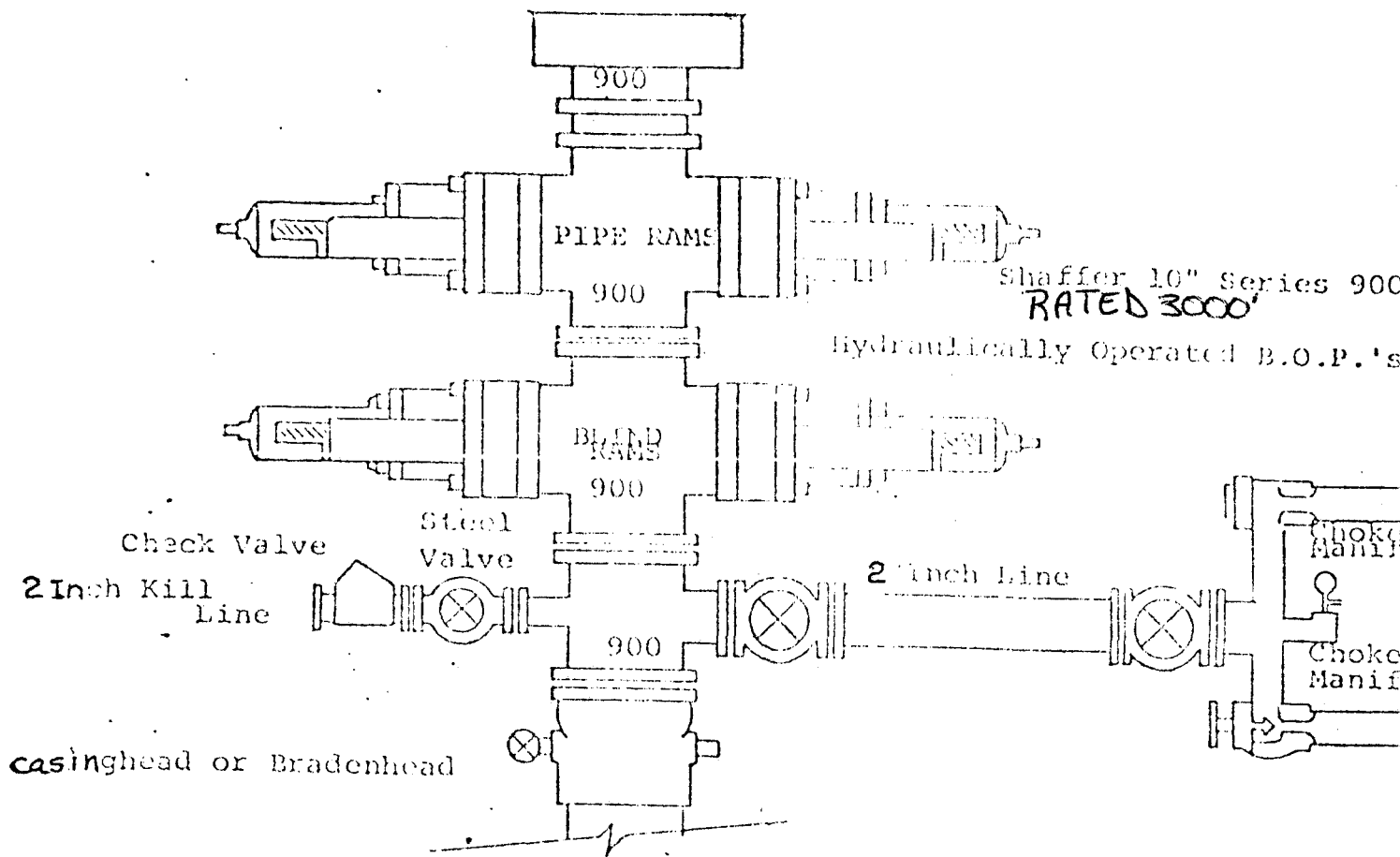


Exhibit B



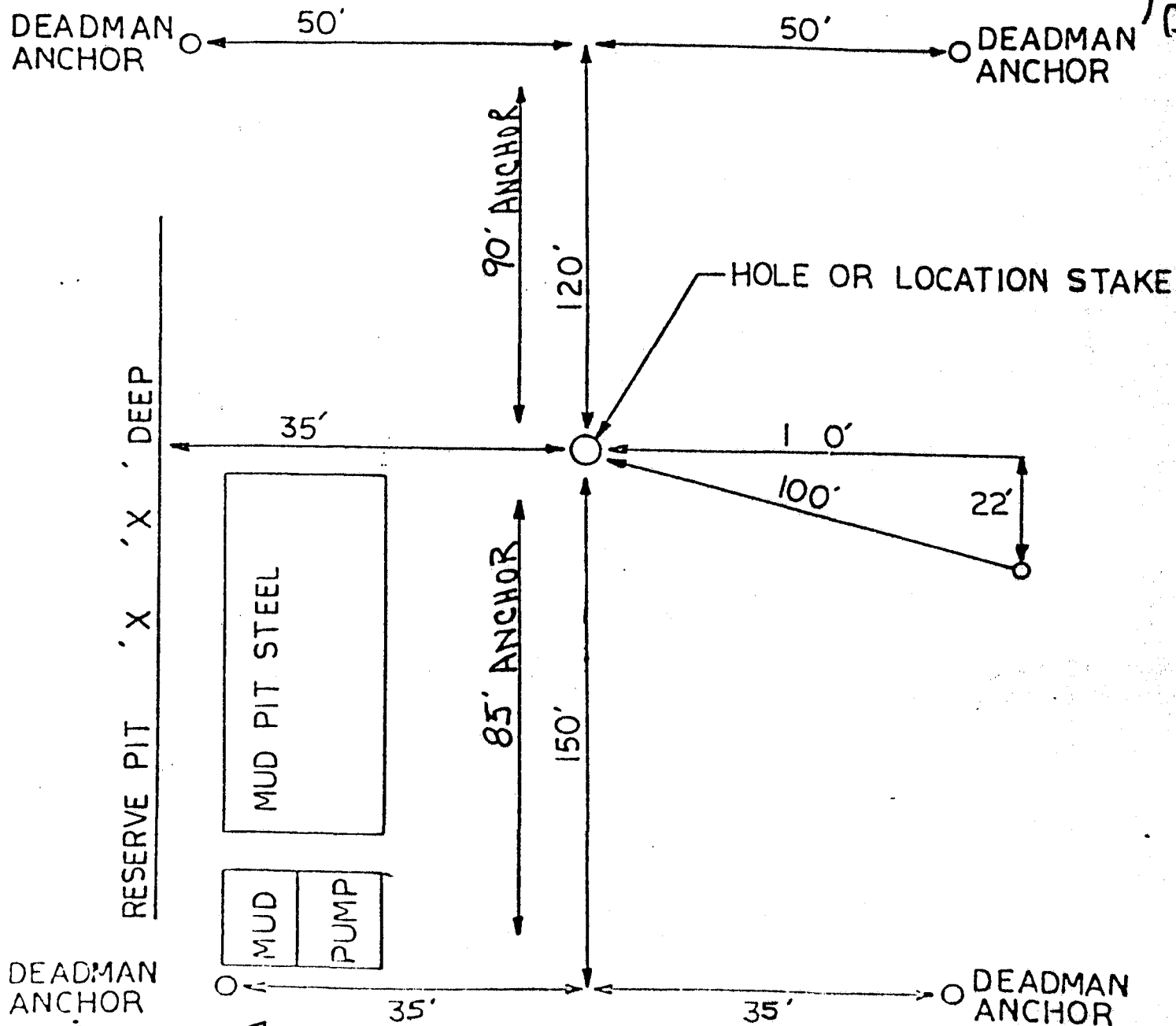
FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

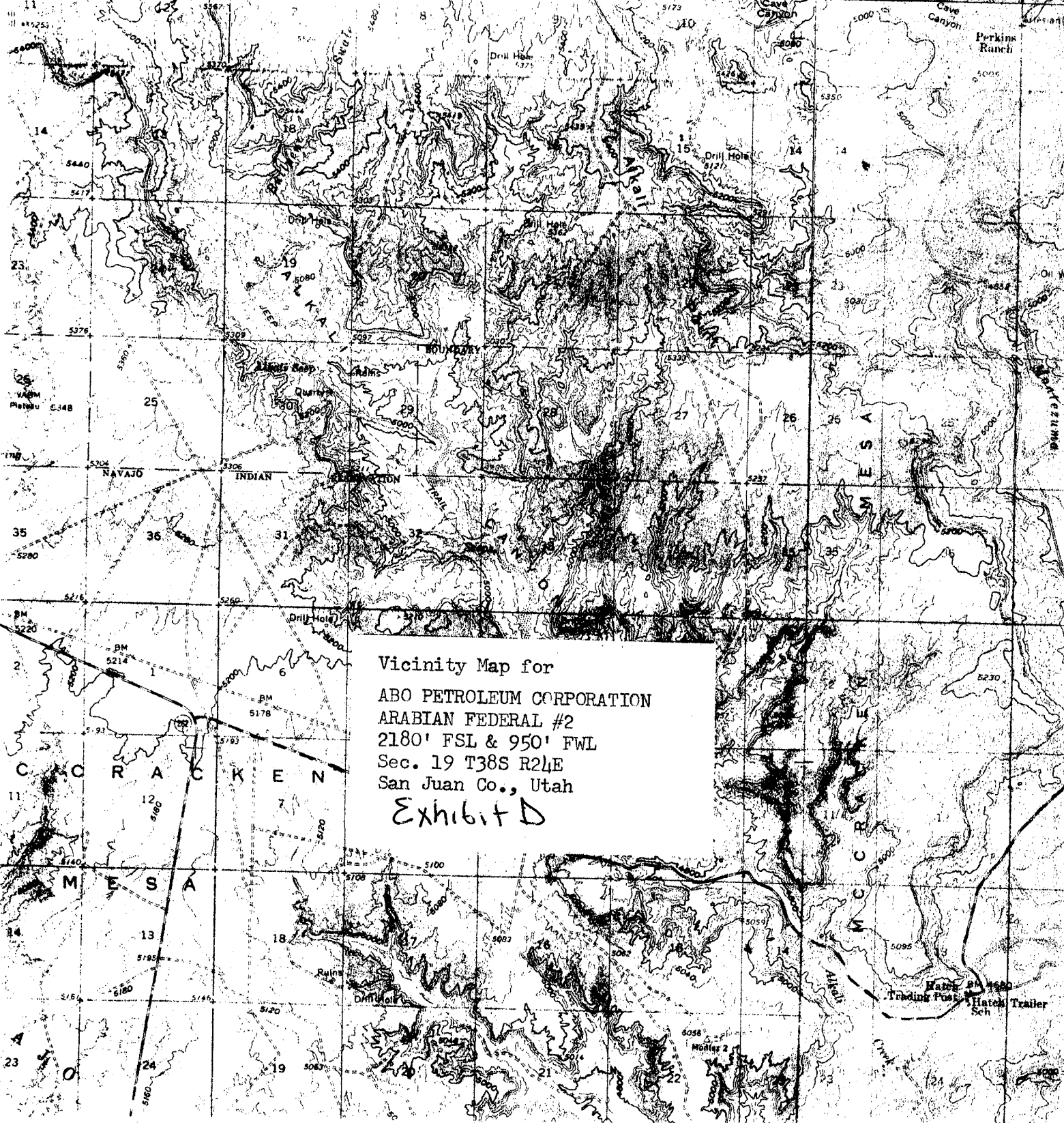
- All preventers to be hydraulically operated with secondary manual controls installed prior to drilling out from under casing.
- Choke outlet to be a minimum of 2" diameter.
- Kill line to be of all steel construction of 2" minimum diameter.
- All connections from operating manifolds to preventers to be all steel.
- hole or tube a minimum of one inch in diameter.
- The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the B.O.P.'s.
- All connections to and from preventer to have a pressure rating equivalent to that of the B.O.P.'s.
- Inside blowout preventer to be available on rig floor.
- Operating controls located a safe distance from the rig floor.
- hole must be kept filled on trips below intermediate casing. Operator not responsible for blowouts resulting from not keeping hole full.
- B. P. float must be installed and used below zone of first gas intrusion.

COLEMAN DRILLING CO.

FRONT OF RIG NO. 3

Exhibit C

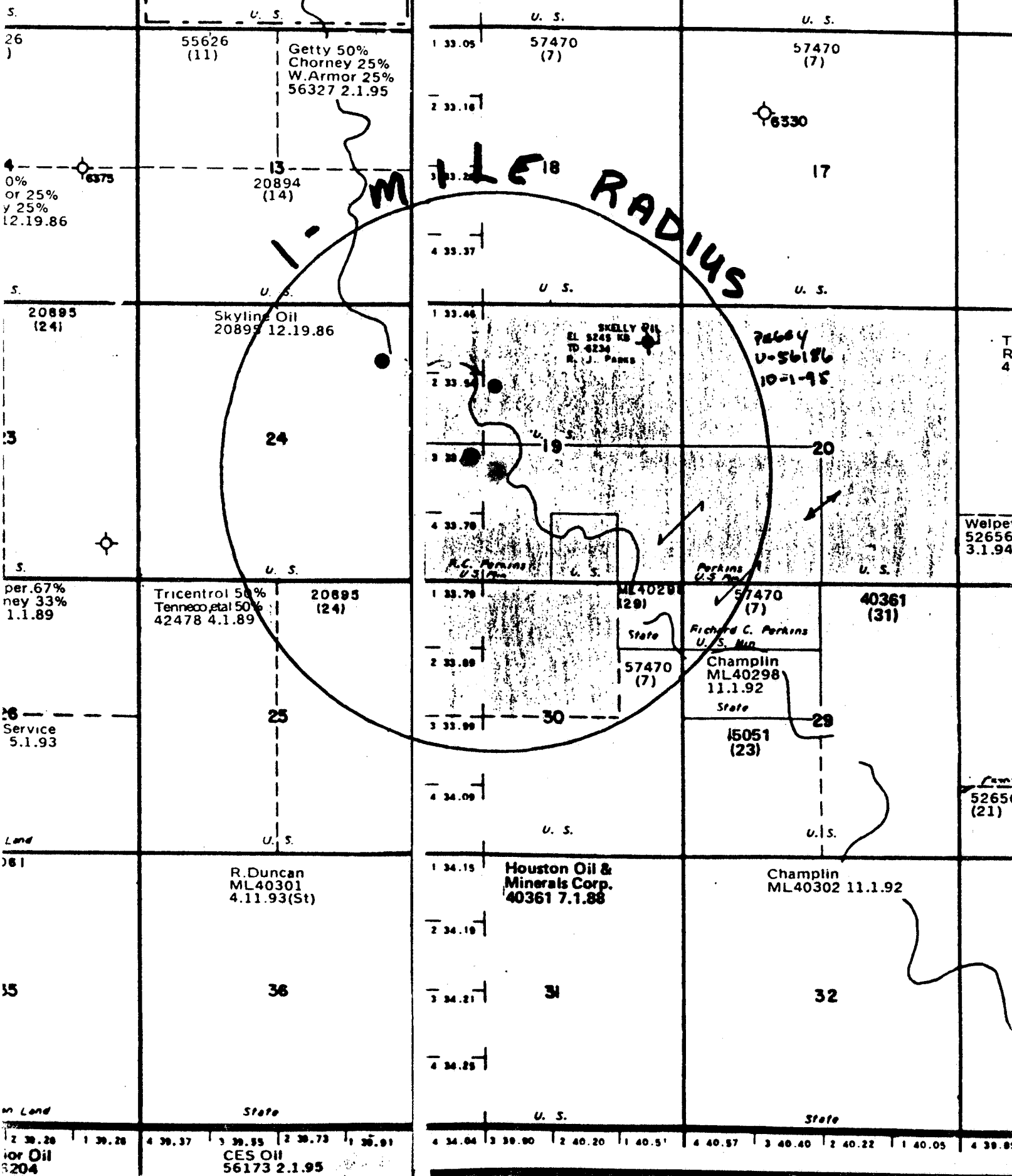




CORBIN UNIT
PATRICK PETR OPER

EXHIBIT E

TXP C
SHV C
etal 3
49991



DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

DISTRICT LAND OFFICE: Salt Lake City, Utah
SERIAL No.: 0-56186

and hereby designates

NAME: Abo Petroleum Corporation
ADDRESS: 105 South Fourth Street
Artesia, New Mexico 88210

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

Township 38 South, Range 24 East
Section 19: Lots 3, 4, E/2SW/4, E/2
Section 20: All
Section 30: Lots 1, 2, E/2NW/4, W/2NE/4

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the supervisor of any change in the designated operator.



(Signature of lessee)

October 28, 1986

(Date)

105 South Fourth Street
Artesia, New Mexico 88210

(Address)

~~CONFIDENTIAL~~

111003-APD

093012 - Off Conf.

OPERATOR Abco Petroleum Corp. DATE 11-6-86

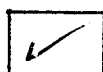
WELL NAME Arabian Fed. 2

SEC NW SW 19 T 38S R 24E COUNTY San Juan

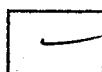
43-037-31287
API NUMBER

Federal
TYPE OF LEASE

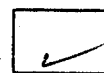
CHECK OFF:



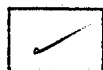
PLAT



BOND



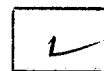
NEAREST
WELL



LEASE



FIELD



POTASH OR
OIL SHALE

PROCESSING COMMENTS:

No other wells within 920'

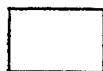
Need water permit

Exception loc. requested

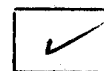
APPROVAL LETTER:

SPACING: ☐ 203 _____ UNIT

☐ 302



CAUSE NO. & DATE



302.1

STIPULATIONS:

1- Water



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
D'anne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

November 10, 1986

Abo Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Gentlemen:

Re: Arabian Federal 2 - NW SW Sec. 19, T. 38S, R. 24E
2180' FSL, 950' FWL - San Juan County, Utah

Approval to drill the referenced well is hereby granted in accordance with Rule 302.1, Oil and Gas Conservation General Rules, subject to the following stipulations:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water as required by Chapter 3, Title 73, Utah Code Annotated.

In addition, the following actions are necessary to fully comply with this approval:

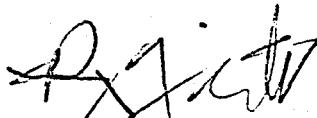
1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or R. J. Firth, Associate Director, (Home) 571-6068.
4. Compliance with the requirements and regulations of Rule 311.3, Associated Gas Flaring, Oil and Gas Conservation General Rules.

Page 2
Abo Petroleum Corporation
Arabian Federal 2
November 10, 1986

5. Prior to commencement of the proposed drilling operations, plans for toilet facilities and the disposal of sanitary waste at the drill site shall be submitted to the local health department having jurisdiction. Any such drilling operations and any subsequent well operations must be conducted in accordance with applicable State and local health department regulations. A list of all local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 533-6163.
6. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-037-31282.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

as
Enclosures
cc: Branch of Fluid Minerals
D. R. Nielson

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

43.037.31282
SUBMIT IN TRIP DATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

112412

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER

TITE HOLE

SINGLE ZONE ☐

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Abo Petroleum Corporation

3. ADDRESS OF OPERATOR

105 South Fourth Street - Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)

At surface

2180' FSL + 950' FWL

UNORTHODOX LOCATION

At proposed prod. zone

Same

PROPER PAPERWORK HAS BEEN SENT TO THE

STATE OF UTAH

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 5 miles northwest of Hatch Trading Post, Utah

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

950'

16. NO. OF ACRES IN LEASE

3300

17. NO. OF ACRES ASSIGNED TO THIS WELL

80

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

6200'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5082 GR

22. APPROX. DATE WORK WILL START*

ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|-----------------------|
| 17-1/2" | 13-3/8" | 48# H-40 | Approx. 108' | 50 sacks |
| 11" | 8-5/8" | 32# J-55 | " 2075' | 800 sacks - circulate |
| 7-7/8" | 5-1/2" | 15.5# J-55 | TD | 400 sacks |

RECEIVED
NOV 18 1986

DIVISION OF
OIL, GAS & MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Cy Cowan

TITLE

Regulatory Agent

DATE

Oct. 31, 1986

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

Kenneth V. Rhea

TITLE

Acting

DISTRICT MANAGER

DATE

NOV 15 1986

CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED

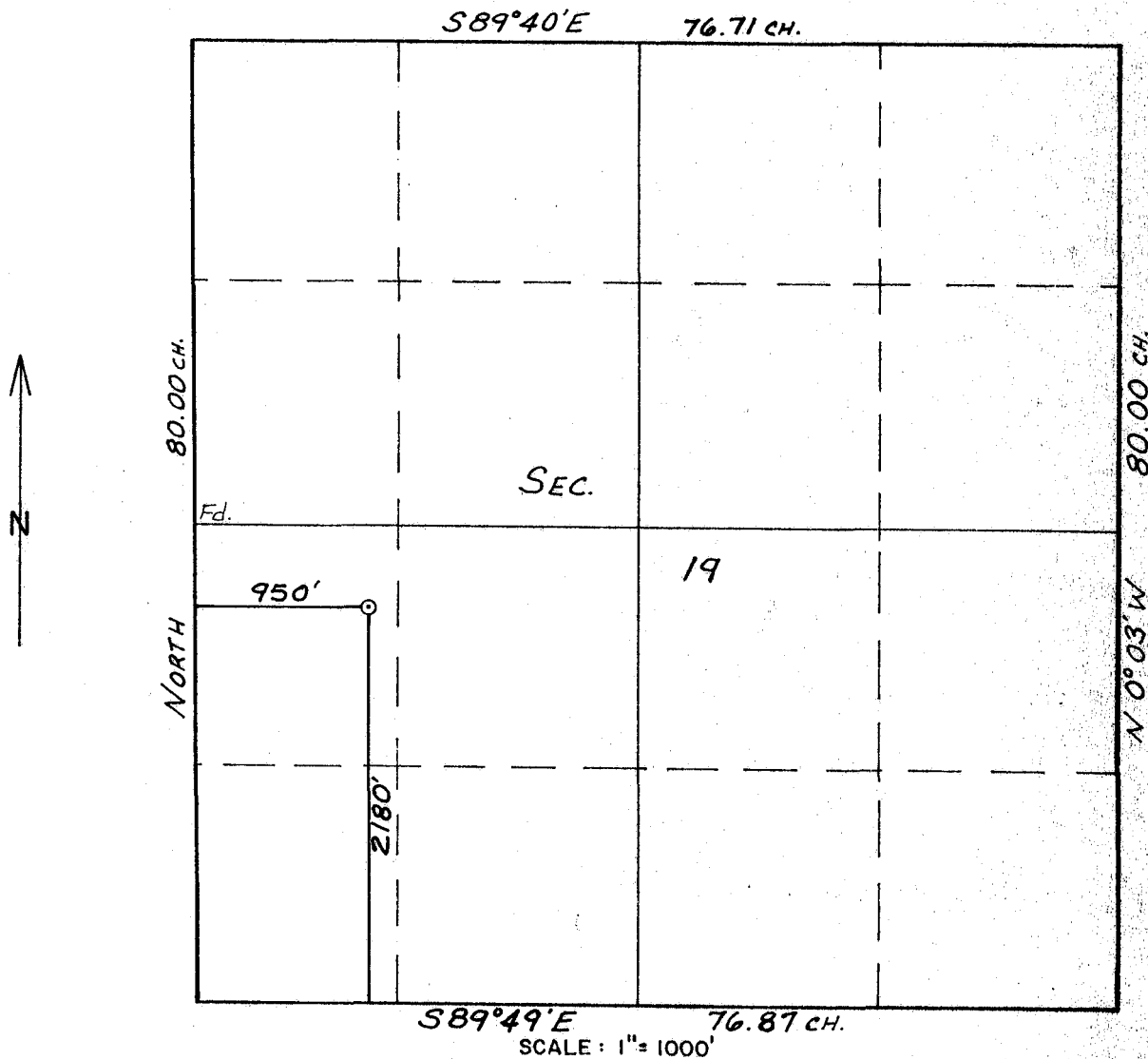
*See Instructions On Reverse Side

FLARING OR VENTING OF
GAS IS SUBJECT TO NTL 4-A
DATED 1/1/80

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

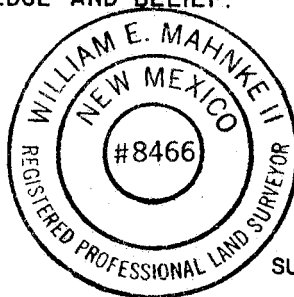
DOGM

COMPANY ABO PETROLEUM CORPORATION
LEASE ARABIAN FEDERAL WELL NO. 2
SEC. 19, T. 38 S, R. 24 E
COUNTY San Juan STATE Utah
LOCATION 2180' FSL & 950' FWL
ELEVATION 5082



THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

SEAL:



William E. Mahnke II
WILLIAM E. MAHNKE II
NEW MEXICO P.L.S. NO 8466

SURVEYED November 4, 19 86

Abo Petroleum Corporation
Well No. Arabian Federal 2
Sec. 19, T. 38 S., R. 24 E.
San Juan County, Utah
Lease U-56186

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Abo Petroleum Corporation is the bonded entity as designated operator on this application. If any assignments or designations change, liability will remain with Abo Petroleum Corporation until we are formally notified by letter of the new bonded entity in reference to this Application for Permit to Drill.

B. SURFACE USE PLAN

No surface disturbance will be allowed until satisfactory evidence is received of a surface use agreement with private landowner or a \$5,000 bond posted with the Bureau of Land Management to cover potential surface damages.

The access road constructed by Meridian Oil, Inc., in the north half of Section 19 will be used for access. While drilling ABO Petroleum Corporation will be required to maintain this road in as good of or better condition than the road is on the date their activity begins. In the event of production, ABO Petroleum Corporation, Meridian Oil, Inc., and any other companies involved must reach a joint road maintenance agreement to meet Class III road standards in the APD.

112415

DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

SPODDING INFORMATION

API #43-037-31282

NAME OF COMPANY: ABO PETROLEUM

WELL NAME: ARABIAN #2

SECTION NW SW 19 TOWNSHIP 38S RANGE 24E COUNTY San Juan

DRILLING CONTRACTOR Coleman

RIG # 3

SPODDED: DATE 11-19-86

TIME 6:00 PM

How Rotary

DRILLING WILL COMMENCE _____

REPORTED BY Cy Cowan

TELEPHONE #

DATE 11-19-86 SIGNED AS



116 State Capitol Building
Salt Lake City, UT 84114
Telephone 801-533-5245

for

office of planning and budget

Norman H. Bangerter, Governor Dale C. Hatch, C.P.A., J.D., Director Michael E. Christensen, Ph.D., Deputy Director

RECEIVED
NOV 26 1986

**DIVISION OF
OIL, GAS & MINING**

November 25, 1986

Mr. John Baza
Division of Oil, Gas and Mining
3 Triad Center, Suite 350
355 West North Temple
Salt Lake City, Utah 84180-1203

SUBJECT: Drill Permit - Wildcat Well on Federal Lease No. U-56186, San Juan
County - Abo Petroleum Corporation
State Application Identifier #UT861113-020

Dear John:

The Resource Development Coordinating Committee of the State of Utah has reviewed this proposed action and no comments are indicated.

Thank you for the opportunity of reviewing this document. Please address any other questions regarding this correspondence to Carolyn Wright (801) 533-4971.

Sincerely,

Michael E. Christensen

Michael E. Christensen
Deputy Director

MEC/jw

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

| | | |
|---|--|---|
| 1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> | | 5. LEASE DESIGNATION AND SERIAL NO. U-56186 |
| b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> TITE HOLE <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME |
| 2. NAME OF OPERATOR Abo Petroleum Corporation | | 7. UNIT AGREEMENT NAME |
| 3. ADDRESS OF OPERATOR 105 South Fourth Street - Artesia, NM 88210 | | 8. FARM OR LEASE NAME Arabian Federal |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 2180' FSL + 950' FWL NW/5W UNORTHODOX LOCATION At proposed prod. zone Same PROPER PAPERWORK HAS BEEN SENT TO THE STATE OF UTAH | | 9. WELL NO. 2 |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 5 miles northwest of Hatch Trading Post, Utah | | 10. FIELD AND POOL, OR WILDCAT Wildcat |
| 15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any) 950' | | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 19-T38S-R24E |
| 16. NO. OF ACRES IN LEASE 3300 | | 12. COUNTY OR PARISH San Juan |
| 17. NO. OF ACRES ASSIGNED TO THIS WELL 80 | | 13. STATE Utah |
| 18. PROPOSED DEPTH 6200' | | 20. ROTARY OR CABLE TOOLS Rotary |
| 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5082 GR | | 22. APPROX. DATE WORK WILL START* ASAP |

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|-----------------------|
| 17-1/2" | 13-3/8" | 48# H-40 | Approx. 108' | 50 sacks |
| 11" | 8-5/8" | 32# J-55 | " 2075' | 800 sacks - circulate |
| 7-7/8" | 5-1/2" | 15.5# J-55 | TD | 400 sacks |

We propose to drill and test the Akah and intermediate formations. Approximately 2075' of intermediate casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

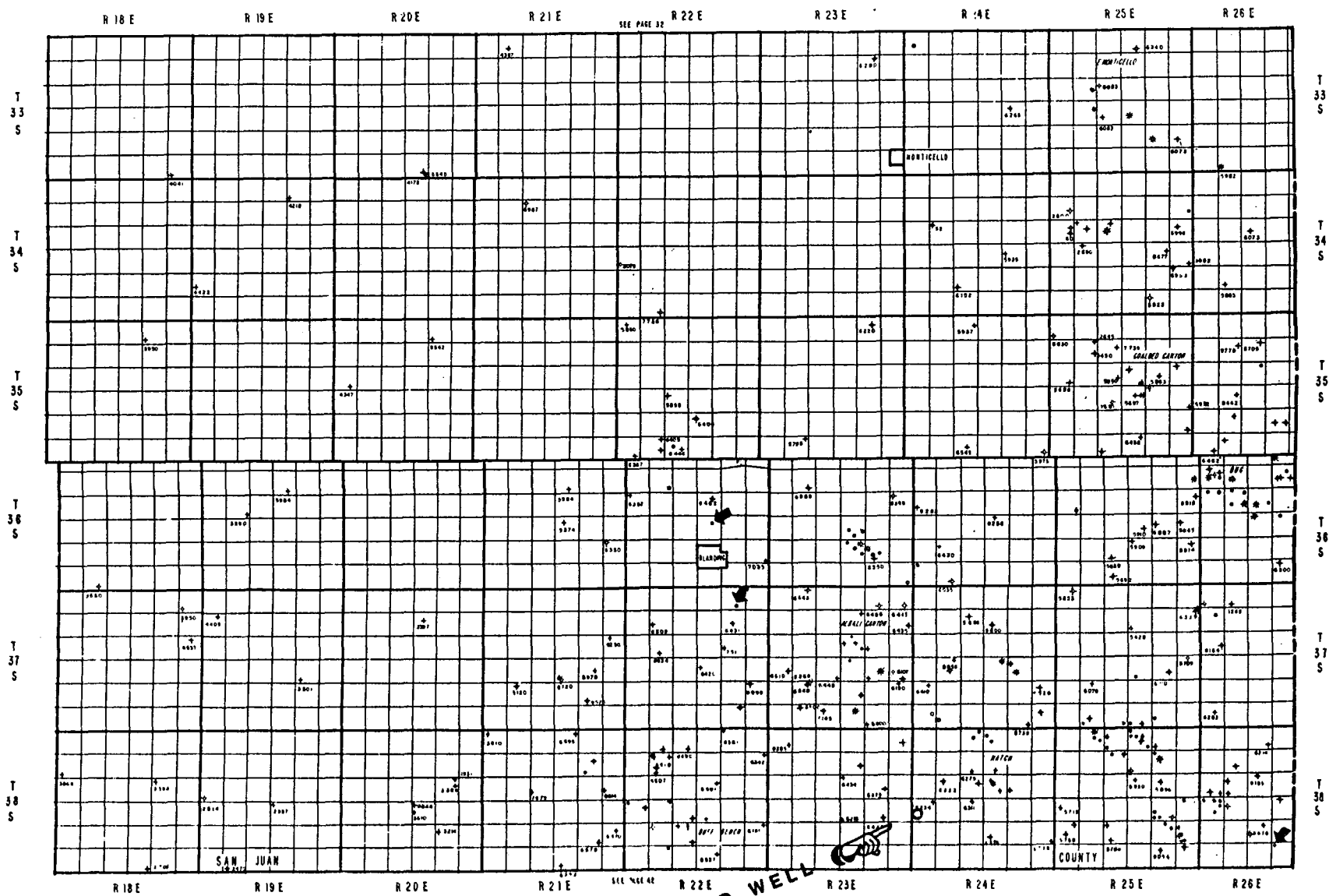
MUD PROGRAM: Fresh water to 5500'; fresh water gel to TD

BOP PROGRAM: BOP's will be nipped up when intermediate casing set

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED [Signature] TITLE Regulatory Agent DATE Oct. 31, 1986
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY _____ TITLE _____
CONDITIONS OF APPROVAL, IF ANY: _____ DATE _____



PROPOSED WELL

Mail to: A-95 Coordinator, State Clearinghouse, 124 State Capitol, SLC, Utah 84114, 533-4971

1. Applicant

DIVISION OF OIL, GAS AND MINING
3 TRIAD CENTER, SUITE 350
SALT LAKE CITY, UTAH 84180-1203

2. State Application Identifier Number

3. Approximate date project will start

A.S.A.P.

4. Areawide clearinghouse(s) receiving copy of STATE ACTION: (to be sent out by applicant)

SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS

5. Type of action: ☐ Lease ☒ Permit ☐ License ☐ Land Acquisition
☐ Land Sale ☐ Land Exchange ☐ Other: _____

6. Title of proposed action: APPLICATION FOR PERMIT TO DRILL

7. Description:

Abo Petroleum Corporation intends to drill a wildcat well on federal lease number U-56186 in San Juan County, Utah. The Division of Oil, Gas and Mining has reviewed the application and is prepared to issue state approval to drill. This action is being presented to RDCC for consideration of resource issues affecting state interests. The U.S. Bureau of Land Management is the primary review agency in this case and must also issue approval to drill before operations can commence.

8. Land affected (Site location map required) (Indicate county)

NW/4, SW/4, Sec.19, T.38S, R.24E, San Juan County, Utah

43-037-31282

9. Has the city/county been contacted regarding necessary zoning & building permits? UNKNOWN

10. Possible significant impacts likely to occur:

No significant impacts are likely to occur.

11. Name and phone number of district representative from your agency near project site, if applicable. Mr. William Hutchinson 1-259-8151

12. For further information, contact:

Phone: John Baza, 538-5340

13. Signature and title of authorized official
John R. Baza, Petroleum Engineer
Date: 11-10-86

FILING FOR WATER IN THE STATE OF UTAH

DEC 23 1986
DIVISION OF
OIL, GAS & MINING

APPLICATION TO APPROPRIATE WATER

Rec. by CT
Fee Paid \$ 15.00
Platted 21355
Microfilmed _____
Roll # _____

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of the Laws of Utah.

WATER USER CLAIM NO. 09 - 1487

APPLICATION NO. T62167

1. PRIORITY OF RIGHT: November 6, 1986

FILING DATE: November 6, 1986

2. OWNER INFORMATION

Name: ABO Petroleum Corporation
Address: 105 South Fourth Street, Artesia, NM 88210
The land is not owned by the applicant(s), see explanatory.

3. QUANTITY OF WATER: ^{10.0}~~5.0~~ acre feet (Ac. Ft.)

4. SOURCE: Underground water well DRAINAGE: San Juan River

POINT(S) OF DIVERSION:

COUNTY: San Juan

(1) N. 50 feet, W. 480 feet, from the E $\frac{1}{4}$ Corner of Section 12,
Township 38 S, Range 24 E, SLB&M

Description of Diverting Works: 8 inch diameter well 506 ft.

COMMON DESCRIPTION: 7.5 mi. No. Hatch Trading Post

5. STORAGE

Water is to be stored in Unnamed Pond on R. Perkins Property reservoir from January 1 to Dec
Capacity 5.0 ac.ft. Innundating 0.25 acres. Height of dam 4 feet.

The area Innundated by the reservoir includes all or part of each of the
following legal subdivisions.

| TOWN | RANGE | SEC | North East Quarter | | | | North West Quarter | | | | South West Quarter | | | | South East Quarter | | | |
|------|-------|-----|--------------------|------------------|------------------|------------------|--------------------|------------------|------------------|------------------|--------------------|------------------|------------------|------------------|--------------------|------------------|------------------|------------------|
| | | | NE $\frac{1}{4}$ | NW $\frac{1}{4}$ | SW $\frac{1}{4}$ | SE $\frac{1}{4}$ | NE $\frac{1}{4}$ | NW $\frac{1}{4}$ | SW $\frac{1}{4}$ | SE $\frac{1}{4}$ | NE $\frac{1}{4}$ | NW $\frac{1}{4}$ | SW $\frac{1}{4}$ | SE $\frac{1}{4}$ | NE $\frac{1}{4}$ | NW $\frac{1}{4}$ | SW $\frac{1}{4}$ | SE $\frac{1}{4}$ |
| 38 S | 24 E | 12 | X | | | | | | | | | | | | | | | |

All locations in Salt Lake Base and Meridian

6. NATURE AND PERIOD OF USE

Oil Exploration From November 15 to November 15.

7. PURPOSE AND EXTENT OF USE

Oil Exploratio: Oil well drilling

8. PLACE OF USE

The water is used in all or parts of each of the following legal subdivisions.

| TOWN | RANGE | SEC | North East Quarter | | | | North West Quarter | | | | South West Quarter | | | | South East Quarter | | | |
|------|-------|-----|--------------------|------------------|------------------|------------------|--------------------|------------------|------------------|------------------|--------------------|------------------|------------------|------------------|--------------------|------------------|------------------|------------------|
| | | | NE $\frac{1}{4}$ | NW $\frac{1}{4}$ | SW $\frac{1}{4}$ | SE $\frac{1}{4}$ | NE $\frac{1}{4}$ | NW $\frac{1}{4}$ | SW $\frac{1}{4}$ | SE $\frac{1}{4}$ | NE $\frac{1}{4}$ | NW $\frac{1}{4}$ | SW $\frac{1}{4}$ | SE $\frac{1}{4}$ | NE $\frac{1}{4}$ | NW $\frac{1}{4}$ | SW $\frac{1}{4}$ | SE $\frac{1}{4}$ |
| 38 S | 24 E | 19 | | | | | | | | | X | | | | | | | |

All locations in Salt Lake Base and Meridian

EXPLANATORY

Appropriate

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

(See other In-
structions on
reverse side)

Form approved. **010895**
Budget Bureau No. 1004-0137
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.

U-56186

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Arabian Federal

9. WELL NO.

2

10. FIELD AND POOL, OR WILDCAT

Wildcat

11. SEC., T., R., M., OR BLOCK AND SURVEY
OR AREA

Section 19-T38S-R24E

12. COUNTY OR
PARISH

San Juan

13. STATE

Utah

19. ELEV. CASINGHEAD

1a. TYPE OF WELL:

OIL
WELL ☒

GAS
WELL ☐

DRY ☐

Other

b. TYPE OF COMPLETION:

NEW
WELL ☒

WORK
OVER ☐

DEEP-
EN ☐

PLUG
BACK ☐

DIFF.
RESRV. ☐

Other

TITE HOLE

2. NAME OF OPERATOR

Abo Petroleum Corporation

3. ADDRESS OF OPERATOR

105 South 4th St., Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with date recorded)

At surface 2180' FSL & 950' FWL

At top prod. interval reported below

At total depth

14. PERMIT NO.

DATE ISSUED

API #43-037-31282

15. DATE SPUDDED

11-20-86

16. DATE T.D. REACHED

11-30-86

17. DATE COMPL. (Ready to prod.)

12-28-86

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*

5082' GR

20. TOTAL DEPTH, MD & TVD

6095'

21. PLUG, BACK T.D., MD & TVD

6050'

22. IF MULTIPLE COMPL.,
HOW MANY*

23. INTERVALS
DRILLED BY

ROTARY TOOLS

CABLE TOOLS

X

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

5723-5789' Upper Ismay

26. TYPE ELECTRIC AND OTHER LOGS RUN

CNL/FDC; DLL BOREHOLE COMPENSATED SONIC

25. WAS DIRECTIONAL
SURVEY MADE

No

27. WAS WELL CORED

No

28. CASING RECORD (Report all strings set in well)

| CASINO SIZE | WEIGHT, LB./FT. | DEPTH SET (MD) | HOLE SIZE | CEMENTING RECORD | AMOUNT PULLED |
|-------------|-----------------|----------------|-----------|------------------|---------------|
| 13-3/8" | 54.5# | 81' | 17-1/2" | 125 SX | |
| 8-5/8" | 24# | 1954' | 12-1/4" | 1125 SX | |
| 5-1/2" | 15.5# | 6095' | 7-7/8" | 350 SX | |

29. LINER RECORD

| SIZE | TOP (MD) | BOTTOM (MD) | SACKS CEMENT* | SCREEN (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) |
|------|----------|-------------|---------------|-------------|--------|----------------|-----------------|
| | | | | | 2-7/8" | 5674' | 5674' |

31. PERFORATION RECORD (Interval, size and number)

5723-5789' w/144 .42" Holes

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

| DEPTH INTERVAL (MD) | AMOUNT AND KIND OF MATERIAL USED |
|---------------------|----------------------------------|
| 5723-5789' | w/5000 gals 15% HCL acid. |

33.* PRODUCTION

| DATE FIRST PRODUCTION | | PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) | | | | WELL STATUS (Producing or shut-in) | |
|-----------------------|-----------------|--|-------------------------|----------|------------|------------------------------------|---------------|
| 12-7-86 | | Flowing | | | | Producing | |
| DATE OF TEST | HOURS TESTED | CHOKE SIZE | PROD'N. FOR TEST PERIOD | OIL—BBL. | GAS—MCF. | WATER—BBL. | GAS-OIL RATIO |
| 12-28-86 | 24 | 58/64" | → | 1339 | 1074 | 28 | 802 |
| FLOW. TUBING PRESS. | CASING PRESSURE | CALCULATED 24-HOUR RATE | OIL—BBL. | GAS—MCF. | WATER—BBL. | OIL GRAVITY-API (CORR.) | |
| 220 | Pkr | → | 1339 | 1074 | 28 | 41° | |

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Vented - Will be sold

TEST WITNESSED BY

Phillip Morgan

35. LIST OF ATTACHMENTS

Logs

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

TITLE Production Supervisor

DATE 12-30-86

*(See Instructions and Spaces for Additional Data on Reverse Side)

| 37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries): | | | | | 38. GEOLOGIC MARKERS | | |
|---|-----|--------|-----------------------------|---|---|----------------------------|--|
| FORMATION | TOP | BOTTOM | DESCRIPTION, CONTENTS, ETC. | NAME | MEAS. DEPTH | TOP TRUE VERT. DEPTH | |
| | | | | Morrison Entrada Navajo Wingate Chinle Cutler Honaker Trail Paradox Upper Ismay Lower Ismay Up Desert Creek Lwr Desert Creek Akah TD | Surface 758 942 1538 1856 2700 4620 5546 5696 5866 5954 6016 6061 6095 | | |

John

BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

IN THE MATTER OF THE PETITION
OF ABO PETROLEUM CORPORATION FOR
AN ORDER EXTENDING THE GAS
FLARING APPROVALS GRANTED BY
ADMINISTRATIVE VARIANCE TO RULE
311.3 FOR THE ARABIAN FEDERAL
#2 WELL SITUATED IN SECTION 19,
TOWNSHIP 38 SOUTH, RANGE 24
EAST, SAN JUAN COUNTY, UTAH

ORDER

Docket No. 87-002
Cause No. 196-25

The motion of Abo Petroleum Corporation for an order authorizing the filing of the Petition subsequent to the date established by regulations for filing in order to be heard in the regularly scheduled meeting of the Board on February 26, 1987, and to shorten the period for notice by publication having been duly considered and the Board having been fully advised in this matter, there appearing to be justifiable grounds for the granting of the motion;

IT IS HEREBY ORDERED that Petitioner's motion is granted authorizing Petitioner to file its Petition on or before Wednesday, February 4, 1987, and the Division of Oil, Gas and Mining is directed to publish notice of the hearing in

a timely fashion so as to permit the hearing of the Petition at the Board's regularly scheduled meeting on February 26, 1987.

DATED this 30th day of January, 1987.

BOARD OF OIL, GAS AND MINING

BY 

Gregory P. Williams
Chairman

Approved as to Form:

8374S

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

EXHIBIT H
SUBMIT IN TRIPI
(Other instructions
verse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

-2-

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

| | | |
|---|--|--|
| 1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> | | 5. LEASE DESIGNATION AND SERIAL NO. U-56186 |
| 2. NAME OF OPERATOR Abo Petroleum Corporation | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME |
| 3. ADDRESS OF OPERATOR 105 South 4th St., Artesia, NM 88210 | | 7. UNIT AGREEMENT NAME |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 2180' FSL & 950' FWL | | 8. FARM OR LEASE NAME Arabian Federal |
| 14. PERMIT NO. API #43-037-31282 | | 9. WELL NO. 2 |
| 15. ELEVATIONS (Show whether DF, RT, GR, etc.) 5082' GR | | 10. FIELD AND POOL, OR WILDCAT Wildcat |
| | | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 19-T38S-R24E |
| | | 12. COUNTY OR PARISH San Juan |
| | | 13. STATE Utah |

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
|--|---|---|--|
| TEST WATER SHUT-OFF <input type="checkbox"/> | PCLL OR ALTER CASING <input type="checkbox"/> | WATER SHUT-OFF <input type="checkbox"/> | REPAIRING WELL <input type="checkbox"/> |
| FRACTURE TREAT <input type="checkbox"/> | MULTIPLE COMPLETE <input type="checkbox"/> | FRACTURE TREATMENT <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| SHOOT OR ACIDIZE <input type="checkbox"/> | ABANDON* <input type="checkbox"/> | SHOOTING OR ACIDIZING <input type="checkbox"/> | ABANDONMENT* <input type="checkbox"/> |
| REPAIR WELL <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | (Other) 60-day extension-flare gas <input checked="" type="checkbox"/> | |
| (Other) <input type="checkbox"/> | | (NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) | |

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Received approval for 60-day extension to flare gas, per telephone conversation 1-15-87 between Greg Noble, BLM, Moab, Utah, and Darrell Atkins, Yates Petroleum.

18. I hereby certify that the foregoing is true and correct

SIGNED

TITLE Production Supervisor

DATE 1-15-87

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

---00000---

| | | |
|----------------------------------|---|-------------------|
| IN THE MATTER OF THE PETITION | : | NOTICE OF HEARING |
| OF ABO PETROLEUM CORPORATION FOR | : | |
| AN ORDER EXTENDING THE GAS | : | DOCKET NO. 87-002 |
| FLARING APPROVALS, GRANTED BY | : | CAUSE NO. 196-25 |
| ADMINISTRATIVE VARIANCE TO RULE | : | |
| 311.3, FOR THE ARABIAN FEDERAL | : | |
| #2 WELL, SECTION 19, TOWNSHIP 38 | : | |
| SOUTH, RANGE 24 EAST, SAN JUAN | : | |
| COUNTY, UTAH | : | |

---00000---

THE STATE OF UTAH TO ALL OPERATORS, TAKERS OF PRODUCTION,
MINERAL AND ROYALTY OWNERS, AND PARTICULARLY ALL PERSONS INTERESTED
IN SAN JUAN COUNTY, UTAH.


Notice is hereby given that the Board of Oil, Gas and
Mining will conduct a hearing on Thursday, February 26, 1987 at
10:00 a.m., or as soon thereafter as the matter may be heard, in the
boardroom of the Division of Oil, Gas and Mining, 355 West North
Temple, 3 Triad Center, Suite 301, Salt Lake City, Utah.

The purpose of the proceeding will be to allow the
Petitioner the opportunity to present information, testimony and
evidence in support of the requested extension of the gas flaring
approvals, granted by administrative variance to Rule 311.3 for the
Arabian Federal #2 well.

Persons interested in this matter may participate pursuant
to the Procedural Rules of the Board. The Petition and any
subsequent pleadings may be inspected in the office of the
undersigned, 355 West North Temple, 3 Triad Center, Suite 350, Salt
Lake City, Utah.

DATED this 23rd day of January, 1987.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING


Marjorie L. Anderson
Secretary of the Board



ABO PETROLEUM CORPORATION
Oil Producers

ARTESIA, NEW MEXICO 88210

YATES BLDG. - 207 SOUTH 4TH
PHONE: (505) 746-3558

January 23, 1987

RECEIVED
JAN 27 1987

DIVISION OF
OIL, GAS & MINING

State of Utah
Natural Resources
Oil, Gas and Mining
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

ATTN: Ronald J. Firth

Dear Sir:

Re: Abo Arabian Federal #2
Section 19-38S-24E
San Juan County, Utah

Abo Petroleum respectfully seeks a variance from your Rule 311 for its Arabian Federal #2 in order to flare gas in accordance with the decision of the Board in Cause No. 196-24 (Docket No. 87-001) and the concurrent wishes of the BLM. Specifically, we ask approval for unrestricted flaring of the Arabian Federal #2 for the period from January 15, 1987, through February 14, 1987, plus flaring at a maximum average rate of 100 Mcf per day thereafter until July 1, 1987.

Abo Petroleum spudded its Arabian Federal #2 on November 20, 1986, at a location 2180' FSL and 950' FWL of Section 19-38S-24E in San Juan County, Utah. The well was drilled to TD of 6095 feet and completed on December 30, 1986, as an oil producer from Ismay perforations at 5723-5789. The attached table shows the well produced 16855 BO and 14378 Mcf at an average gas-oil ratio of 853 Scf/BO during a 15-day GOR test during the period December 31 through January 14. Abo Petroleum seeks approval to flare gas from the Arabian Federal #2 at an unrestricted rate from the conclusion of the GOR test through February 14, 1987, and at an average restricted rate of 100 Mcf per day until July 1. As you know, the BLM is allowing unrestricted flaring in the Havasu area through February 14 and an average of 100 Mcf/D thereafter until July 1. Also, the Board of Oil, Gas and Mining ruled in Cause No. 196-24 (Docket 87-001) that flaring will be allowed under these exact specifications for the two offset wells operated by Meridian Oil. For these reasons, Abo Petroleum feels its request is a fair one that balances prevention of waste with protection of correlative rights.

Your kind attention to this request is surely appreciated.

Sincerely,

DAVID F. BONEAU
Engineering Manager

DFB/cvg

Abo Petroleum Arabian Federal #2
Section 19-38S-24E
San Juan County, Utah

| <u>Date</u> | <u>BO</u> | <u>Mcf</u> | <u>Daily GOR (Scf/BO)</u> |
|-------------|-------------|-------------|---------------------------|
| 12-31-86 | 1276 | 1075 | 842 |
| 01-01-87 | 1263 | 1042 | 825 |
| 01-02-87 | 1249 | 1064 | 852 |
| 01-03-87 | 1103 | 1086 | 985 |
| 01-04-87 | 1021 | 847 | 830 |
| 01-05-87 | 973 | 747 | 768 |
| 01-06-87 | 1103 | 771 | 699 |
| 01-07-87 | 1131 | 822 | 727 |
| 01-08-87 | 1016 | 751 | 739 |
| 01-09-87 | 1168 | 842 | 721 |
| 01-10-87 | 1011 | 902 | 892 |
| 01-11-87 | 1167 | 962 | 824 |
| 01-12-87 | 1151 | 962 | 836 |
| 01-13-87 | 1190 | 1500 | 1261 |
| 01-14-87 | <u>1033</u> | <u>1005</u> | <u>973</u> |
| TOTAL | 16855 BO | 14378 Mcf | |
| AVERAGE | 1124 BOPD | 959 Mcf/D | 853 Scf/BO |



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

January 29, 1987

Abo Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210

Gentlemen:

RE: Request to Flare or Vent Associated Gas From Arabian Federal
Well No. 2, Sec.19, T.38S, R.24E, San Juan County, Utah

The Division of Oil, Gas and Mining hereby grants approval of your request dated January 23, 1987 to flare associated gas from the referenced well. The approval is limited to the producing conditions stated in your letter, and extends only until the date of the next hearing of the Board of Oil, Gas and Mining on February 26, 1987. Formal Board action at the hearing is necessary in order to extend the approval to flare beyond February 26th. You are, therefore, requested to submit an appropriate petition and a motion for expedited consideration of this matter.

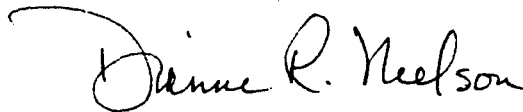
The specific conditions of the approval are that the Arabian Federal Well No. 2 may be produced, and associated gas flared or vented, at an unrestricted rate through February 14, 1987. Beginning on February 15th, the well may produce at a restricted rate to allow a maximum of 100 Mcf per day to be flared until the date of the Board hearing. At that time, you will need to present adequate evidence and testimony to show whether an extension of the flaring approval is warranted.

To assist you in preparing a petition and motion, examples from the recent hearing held for Meridian Oil Company are included with this letter. Also enclosed is a copy of Board Procedural Rules to be followed when presenting matters before the Board. Please note that it is also necessary to comply with federal regulations and the federal lease requirements concerning oil and gas operations. Therefore, you are advised to contact the appropriate federal agency to insure that they do not object to the proposed gas flaring.

Page Two
Abo Petroleum Corporation
January 29, 1987

We hope this information is helpful to you, please contact this office again if you have further questions.

Best regards,

A handwritten signature in cursive script that reads "Dianne R. Nielson". The signature is written in dark ink and is positioned above the printed name and title.

Dianne R. Nielson
Director

JRB/sb
cc: R. J. Firth
J. R. Baza
Well File
0258T-81-82

SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS

CALVIN BLACK

Chairman

P.O. Drawer A1 • Price, Utah 84501 • Telephone 637-5444

WILLIAM D. HOWELL

Executive Director

JAN 30 1987

DIVISION OF
OIL, GAS & MINING

AREAWIDE CLEARINGHOUSE A-95 REVIEW

NOI ___ Preapp ___ App ___ State Plan ___ State Action X Subdivision ___ (ASP # 11-1125-12)

Other (indicate) ___ SAI Number UT861113 020

Applicant (Address, Phone Number):

Federal Funds:

Requested: _____

Division of Oil, Gas and Mining
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Title:

APPLICATION FOR PERMIT TO DRILL
Abo Petroleum Corporation

- ☒ No comment (Favorable)
☐ See comments below
☐ No action taken because of insufficient information
☐ Please send your formal application to us for review. Your attendance is requested ☐

The applicant should forward any written review comments to the funding agency. Any written response to those comments should be forwarded to the State Clearinghouse and also to the funding agency.

Comments:

1-28-87

Authorizing Official

Date

REGIONAL CLEARINGHOUSE



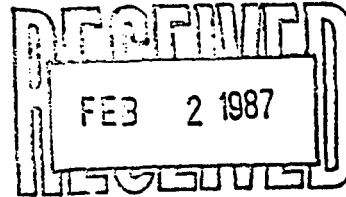
United States Department of the Interior

BUREAU OF LAND MANAGEMENT

3100
(U-065)

Moab District
P. O. Box 970
Moab, Utah 84532

JAN 28 1987



Mr. Darrell Atkins
Abo Petroleum Corporation
105 South 4th St.
Artesia, New Mexico 88210

Re: Flaring Extension for Arabian Federal #2 Well

Gentlemen:

We are in receipt of your Sundry Notice stating that approval has been given to flare gas from the subject well. As discussed in a telephone conversation between Greg Noble of my staff and Darrell Atkins of Yates Petroleum, this is not the case. Mr. Atkins was told that the Bureau of Land Management (BLM) would consider a 60-day flaring period if a request was submitted with justification.

Since then, the BLM has approved unrestricted flaring for the other two wells in this field through February 15, 1987 at which point flaring will be restricted to 100 MCFD or less per well. We, therefore, will also grant an extension to flare unrestricted at the Arabian Federal #2 well through February 15, 1987 with the same 100 MCFD limitations thereafter. We are returning your Sundry Notice unapproved.

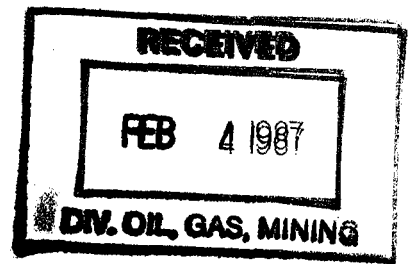
Sincerely yours,

[Signature]
nager

| | | | |
|---|--|---|--|
| <p>SENDER - Complete items 1, 2, 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.</p> | | <p>1. <input type="checkbox"/> Show to whom, date and address of delivery.</p> | |
| <p>2. <input type="checkbox"/> Restricted Delivery.</p> | | <p>3. Article Addressed to:</p> <p>INA Sue Johnson P.O. Box 25926 Albuquerque, NM 87124</p> | |
| <p>4. Type of Service:</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail</p> | | <p>Article Number P 241 349 942</p> | |
| <p>Always obtain signature of addressee or agent and DATE DELIVERED.</p> | | | |
| <p>5. Signature - Addressee X <i>[Signature]</i></p> | | <p>6. Signature - Agent X</p> | |
| <p>7. Date of Delivery 1-30-87</p> | | | |
| <p>8. Addressee's Address (ONLY if requested and fee paid)</p> | | | |

DOMESTIC RETURN RECEIPT

ABO PETROLEUM CORPORATION
EXHIBIT "H"
Docket No. 87-002
Cause No. 196-25



BEFORE THE BOARD OF OIL, GAS AND MINING

DEPARTMENT OF NATURAL RESOURCES

STATE OF UTAH

IN THE MATTER OF THE PETITION
OF ABO PETROLEUM CORPORATION FOR
AN ORDER EXTENDING THE GAS
FLARING APPROVALS GRANTED BY
ADMINISTRATIVE VARIANCE TO RULE
311.3 FOR THE ARABIAN FEDERAL
#2 WELL SITUATED IN SECTION 19,
TOWNSHIP 38 SOUTH, RANGE 24
EAST, SAN JUAN COUNTY, UTAH

) MOTION FOR ORDER
) AUTHORIZING FILING OF
) PETITION AND SHORTENING
) OF PERIOD FOR NOTICE
) BY PUBLICATION

) Docket No. 87-002
) Cause No. 196-25
)

ABO PETROLEUM CORPORATION ("Abo"), Petitioner in this matter, by and through its undersigned attorneys, move the Board of Oil, Gas and Mining for an Order (1) authorizing Abo to file its Petition in this matter subsequent to the date established by regulations for filing in order to be heard at the regularly scheduled meeting of the Board on February 26, 1987, and (2) authorizing the shortening of the period for notice by publication in the newspaper of general circulation in San Juan County.

The grounds upon which Petitioner bases its motion are that (1) The Division of Oil, Gas, and Mining has granted a variance under Rule 311.3 to allow Petitioner to flare or vent associated gas from the Arabian Federal No. 2 Well -- (this administrative variance expires on February 14, 1987); (2) Petitioner's efforts to construct a pipeline and connect the well prior to February 14, 1987, have been unexpectedly

delayed, and a further authorization by the Board will be needed to continue gas flaring or venting unless the oil well is to be shut-in; (3) Petitioner has been advised that a further extension cannot be granted by administrative action, but that Board approval after a formal hearing will be necessary; (4) The next scheduled meeting of the Board of Oil, Gas and Mining at which such information and evidence can be presented is the regularly scheduled meeting on February 26, 1987; (5) Concurrently with this Motion, Petitioner has filed with the Board a Petition requesting a hearing before the full Board and an opportunity to present information, testimony and evidence in support of the requested Petition; (6) Rule 6(a) of the Procedural Rules of the Utah Board of Oil, Gas and Mining (the "Procedural Rules") requires petitions to be filed with the Division on or before the tenth day of the calender month preceding the month of the hearing; (7) Rule 6(j) of the Procedural Rules requires notice by mail and by publication to be given by the first day of the month in which the hearing is held, and in no event less than 15 days before the day of the hearing; (8) Rule 6(a) of the Procedural Rules provides that, upon motion of the petitioner, and for good cause shown, the Board may authorize that a petition filed after the tenth day of the calender month be considered at the regularly scheduled meeting during the subsequent month; (9) Since the petition

requests the Board to authorize gas flaring and venting heretofore authorized by administrative action until February 14, it is imperative that the hearing before the Board be held at the earliest possible date, which is February 26, 1987

DATED this 4th day of February, 1987.

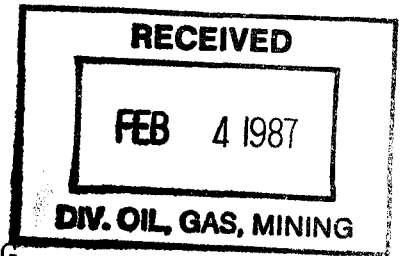
VAN COTT, BAGLEY, CORNWALL & McCARTHY

By Phillip Wm. Lear
Phillip Wm. Lear
Mark C. Said
Attorneys for Petitioner
50 South Main, Suite 1600
P. O. Box 45340
Salt Lake City, Utah 84145
Telephone: (801) 532-3333

Address of Petitioner:

Abo Petroleum Corporation
Yates Building
207 South Fourth Street
Artesia, New Mexico 88210

8364S



BEFORE THE BOARD OF OIL, GAS AND MINING

DEPARTMENT OF NATURAL RESOURCES

STATE OF UTAH

IN THE MATTER OF THE PETITION
OF ABO PETROLEUM CORPORATION FOR
AN ORDER EXTENDING THE GAS
FLARING APPROVALS GRANTED BY
ADMINISTRATIVE VARIANCE TO RULE
311.3 FOR THE ARABIAN FEDERAL
#2 WELL SITUATED IN SECTION 19,
TOWNSHIP 38 SOUTH, RANGE 24
EAST, SAN JUAN COUNTY, UTAH

PETITION

Docket No. 87-002
Cause No. 196-25

ABO PETROLEUM CORPORATION, by and through its undersigned attorneys, petitions the Board of Oil, Gas and Mining and respectfully show as follows:

1. Abo Petroleum Corporation, hereinafter referred to as "Abo," is a New Mexico corporation in good standing and is qualified to do business in the State of Utah. Its principal place of business is Artesia, New Mexico.

2. The Board of Oil, Gas and Mining, hereinafter referred to as "Board," is empowered by Utah Code Ann. § 40-6-5(2)(f) (Supp. 1986) to regulate the flaring of gas from an oil well.

3. Abo is the operator of the Arabian Federal No. 2 Well in the Havasu (Kachina) Field of San Juan County, State of Utah. Abo is also a co-lessee of record under Federal Oil and Gas Leases U-56186 upon which the well is located.

4. Abo completed the Arabian Federal No. 2 Well as an oil well in the upper Ismay formation on December 30, 1986. The well produces an average of 1,124 BOPD, 959 Mcf/d, with an average GOR of 853:1.

5. By administrative action dated January 29, 1987, the Division of Oil, Gas and Mining granted a variance to Rule 311.3 of The Oil and Gas Conservation General Rules (adopted December 2, 1985) (hereinafter referred to as Rules) authorizing through February 14, 1987, flaring or venting of associated gas in excess of the allowance established by Rule 311.3.

6. Abo plans to construct a gas gathering pipeline to connect to this well, but unexpected delays will not permit completion of the pipeline and sales to the prospective purchaser for several months. In the meantime, it will be necessary to continue to flare or vent produced gas.

7. Abo has obtained permission from the Moab District Office of the Bureau of Land Management to flare gas at an unrestricted rate through February 14, 1987, and at a restricted rate of 100 Mcf/d thereafter until July 1, 1987.

8. This Board has previously authorized other producers in the area of the Arabian Federal No. 2 Well to flare gas from oil wells based upon findings that the produced gas cannot be economically marketed under existing circumstances. Therefore, the flaring of gas does not constitute waste.

9. Abo has evaluated other methods to market the produced gas and has determined that it is not economically feasible to market the produced gas in any manner other than through the proposed pipeline.

10. Waste is defined in the Utah Code Ann. § 40-6-2 (Supp 1986); and Section 1 of the Rules as "the . . . producing of any Oil and Gas Well in a manner that causes reduction in the quantity of Oil or Gas ultimately recoverable from a reservoir under prudent and economical operations. . . ." Waste is also defined by the cited sources as "The inefficient, excessive or improper use or the unnecessary dissipation of Oil or Gas or reservoir energy."

11. Abo's proposed flaring will not decrease the ultimate oil recovery, impair the reservoir, or otherwise result in waste.

WHEREFORE, Abo respectfully requests the Board to:

(a) Set this matter for hearing at the scheduled meeting of this Board to be held in February, 1987 to consider extending the gas flaring approvals granted by administrative variance to Rule 311.3;

(b) Give notice of this Petition and the hearing as provided by the laws of the State of Utah and regulations issued pursuant thereto. The names and addresses of interested parties are set forth in Exhibit "A" attached hereto.

(c) Conduct the hearing at which Abo and all interested parties may be allowed to present evidence regarding the need for continued flaring or venting of gas from the Arabian Federal No. 2 Well beyond the deadline authorized by administrative action, for an additional period not to exceed six (6) months from February 26, 1987, or until the pipeline can be connected to the well, whichever period is the shorter.

(d) After the hearing, enter its Order authorizing the continued flaring or venting of gas from the Arabian Federal No. 2 Well for the period requested.

(e) Grant such other relief as may be just and proper under the circumstances.

DATED this 3rd day of February, 1987.

VAN COTT, BAGLEY, CORNWALL & MCCARTHY

By Phillip Wm. Lear
Phillip Wm. Lear
Mark C. Said
Attorneys for Petitioner
50 South Main, Suite 1600
P. O. Box 45340
Salt Lake City, Utah 84145
Telephone: (801) 532-3333

Address of Petitioner:

Abo Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

EXHIBIT "A"

Names and Addresses of Persons Owning Interests in the Arabian
Federal No. 2 Well in Section 19, Township 38 South,
Range 24 East, S.L.M., San Juan County, Utah.

Royalty Owner

Bureau of Land Management
Utah State Office
324 South State Street, Suite 301
Salt Lake City, Utah 84111-2303

Working Interest Owners

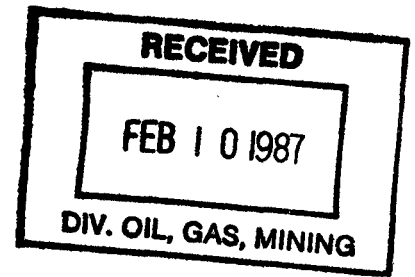
Abo Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Peggy A. Yates
105 South Fourth Street
Artesia, New Mexico 88210

Overriding Royalty Owner

Peggy A. Yates
105 South Fourth Street
Artesia, New Mexico 88210

8357S
020387



ABO PETROLEUM CORPORATION

ARABIAN FEDERAL #2

DOCKET NO. 87-002

CAUSE NO. 196-25

BEFORE THE OIL, GAS AND MINING DIVISION

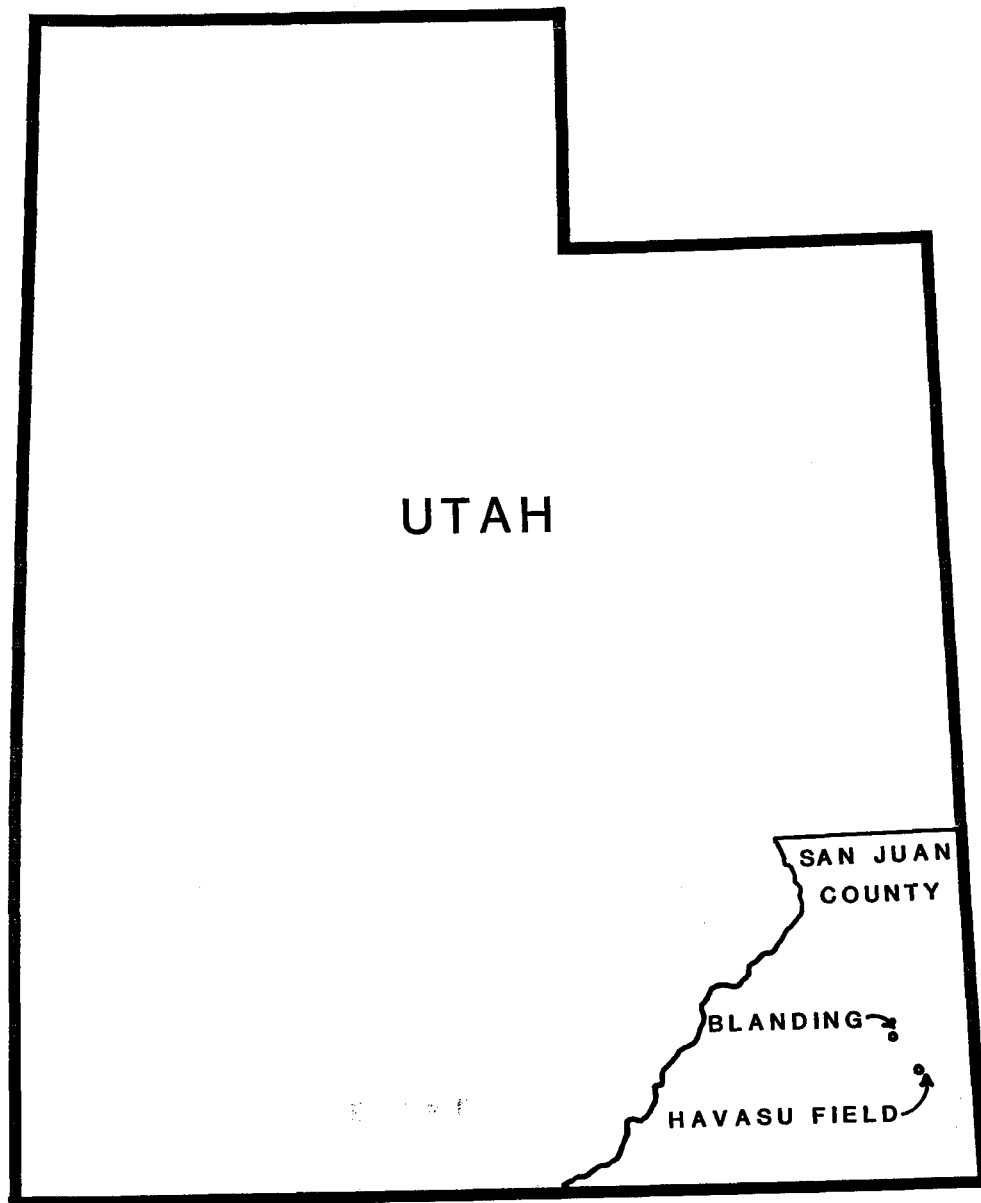
DEPARTMENT OF NATURAL RESOURCES

STATE OF UTAH

FEBRUARY 26, 1987

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ABO PETROLEUM

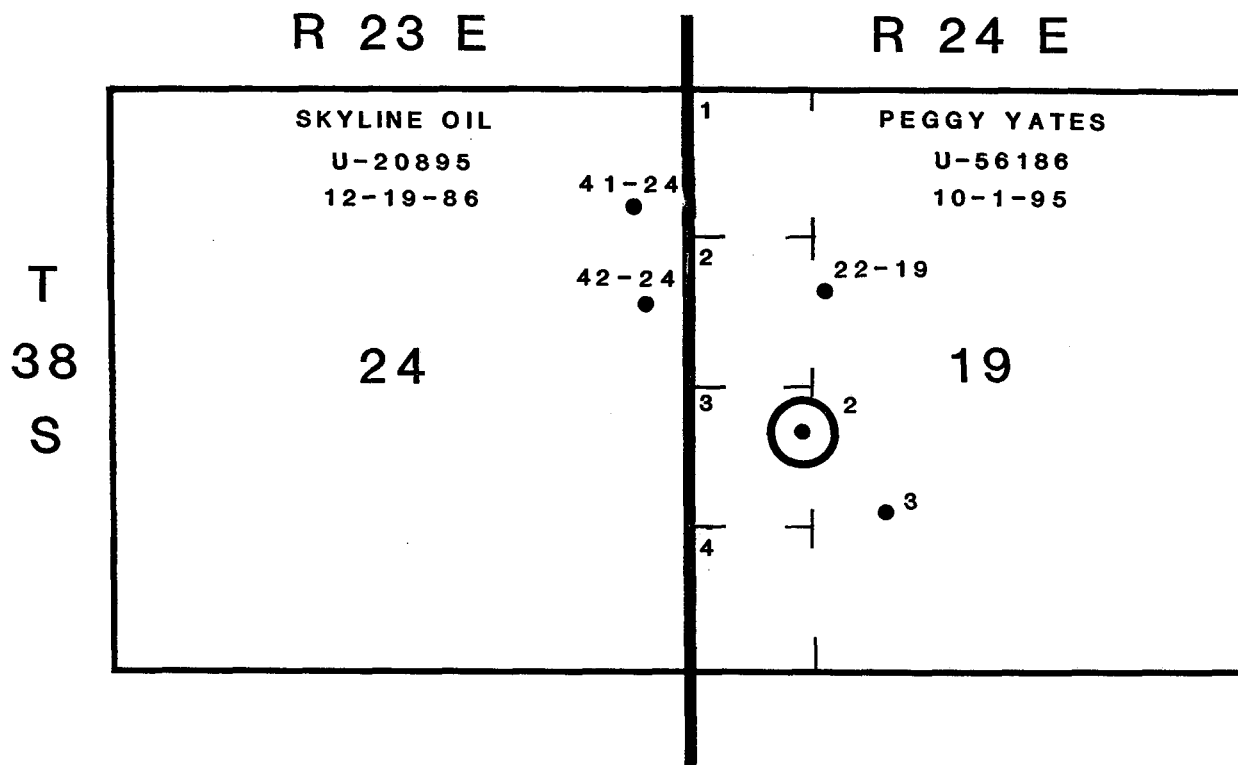
HAVASU AREA

SAN JUAN CO., UTAH

EXHIBIT "A"

DOCKET NO. 87-002

CAUSE NO. 196-25



ABO PETROLEUM
ARABIAN FED. #2

HAVASU AREA
SAN JUAN CO., UTAH

EXHIBIT "B"

DOCKET NO. 87-002

CAUSE NO. 196-25

ABO PETROLEUM CORPORATION

EXHIBIT "D"

Docket No. 87-002

Cause No. 196-25

Arabian Federal #2

Well Data

1. Well Name - Arabian Federal #2
2. Operator - Abo Petroleum
3. Location - 2180' FSL & 950' FWL
Section 19-38S-24E
San Juan County, Utah
4. Spud Date - November 20, 1986
5. TD Date -- Reached 6090' on November 29, 1986
6. Perforations - Ismay 5723-5789
Perforated December 5, 1986
Acidized December 6, 1986
First Production December 7, 1986
7. Completion Date - December 28, 1986
Potential = 1339 BOPD
1074 Mcf/D
28 BWPD
8. Cumulative Production - 66472 BO
51127 Mcf
1225 BW through February 9, 1987
9. Current Status - Shutin February 4, 1987
along with Havasu Federal 22-19 and 41-24

ARABIAN FED. #2 DAILY PRODUCTION

EXHIBIT "E"

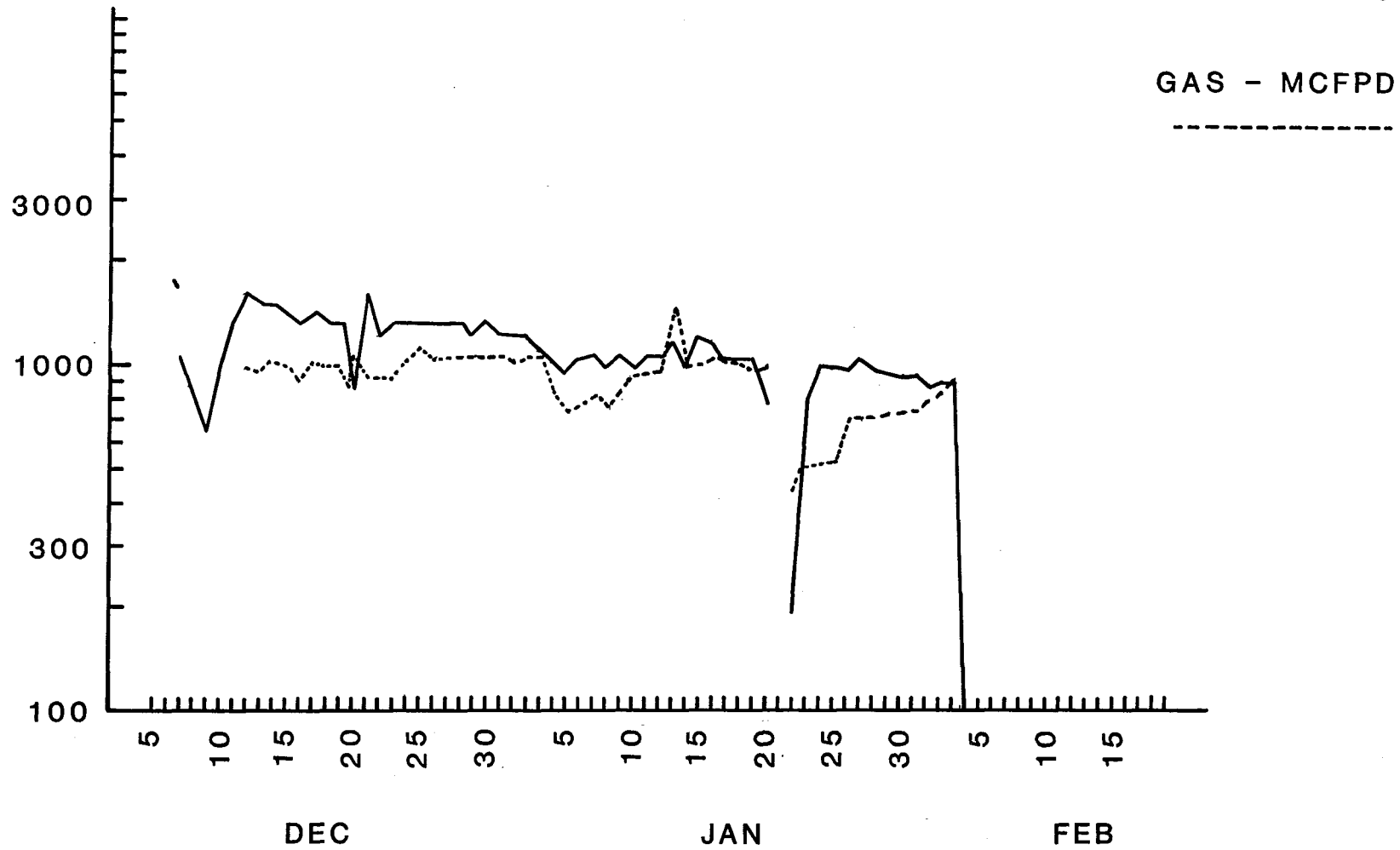
DOCKET NO. 87-002

CAUSE NO. 196-25

PRODUCTION

OIL - BOPD

GAS - MCFPD



ABO PETROLEUM CORPORATION

-1-

EXHIBIT "F"

Docket No. 87-002

Cause No. 196-25

Arabian Federal #2

Estimated Daily Production

| <u>Date</u> | <u>BO</u> | <u>Mcf</u> | <u>BW</u> | <u>GOR</u> |
|-------------|-----------|------------|-----------|------------|
| 12-07-86 | 1016 | NR | NR | --- |
| 12-08-86 | 864 | 1770 | 22 | 2049 |
| 12-09-86 | 655 | NR | NR | --- |
| 12-10-86 | 988 | NR | NR | --- |
| 12-11-86 | 1329 | NR | 7 | --- |
| 12-12-86 | 1659 | 990 | 10 | 597 |
| 12-13-86 | 1552 | 977 | 10 | 630 |
| 12-14-86 | 1546 | 1016 | 17 | 657 |
| 12-15-86 | 1478 | 999 | 20 | 676 |
| 12-16-86 | 1368 | 925 | 20 | 676 |
| 12-17-86 | 1438 | 1064 | 17 | 740 |
| 12-18-86 | 1353 | 1023 | 15 | 756 |
| 12-19-86 | 1379 | 1023 | 23 | 742 |
| 12-20-86 | 875 | 1074 | 21 | 1227 |
| 12-21-86 | 1659 | 941 | 8 | 567 |
| 12-22-86 | 1235 | 930 | 22 | 753 |
| 12-23-86 | 1327 | 931 | 39 | 702 |
| 12-24-86 | 1318 | 1020 | 21 | 774 |
| 12-25-86 | 1336 | 1102 | 20 | 825 |
| 12-26-86 | 1341 | 1071 | 18 | 799 |
| 12-27-86 | 1347 | 1071 | 18 | 795 |
| 12-28-86 | 1339 | 1074 | 28 | 802 |
| 12-29-86 | 1295 | 1086 | 28 | 839 |
| 12-30-86 | 1339 | 1074 | 28 | 802 |
| 12-31-86 | 1276 | 1075 | 28 | 842 |
| TOTAL | 32312 | 22236 | 440 | 688 |

EXHIBIT F

Arabian Federal #2

Estimated Daily Production

| <u>Date</u> | <u>BO</u> | <u>Mcf</u> | <u>BW</u> | <u>GOR</u> |
|-------------|-----------|------------|-----------|------------|
| 01-01-87 | 1263 | 1042 | 24 | 825 |
| 01-02-87 | 1249 | 1064 | 28 | 852 |
| 01-03-87 | 1103 | 1086 | 22 | 985 |
| 01-04-87 | 1021 | 847 | 20 | 830 |
| 01-05-87 | 973 | 747 | 18 | 768 |
| 01-06-87 | 1103 | 771 | 20 | 699 |
| 01-07-87 | 1131 | 822 | 20 | 727 |
| 01-08-87 | 1016 | 751 | 18 | 739 |
| 01-09-87 | 1168 | 842 | NR | 721 |
| 01-10-87 | 1011 | 902 | 6 | 892 |
| 01-11-87 | 1167 | 962 | 6 | 824 |
| 01-12-87 | 1151 | 962 | 9 | 836 |
| 01-13-87 | 1190 | 1500 | 6 | 1261 |
| 01-14-87 | 1033 | 1005 | 4 | 973 |
| 01-15-87 | 1214 | 1073 | 4 | 884 |
| 01-16-87 | 1202 | 1096 | 9 | 912 |
| 01-17-87 | 1173 | 1107 | 9 | 944 |
| 01-18-87 | 1172 | 1118 | 9 | 954 |
| 01-19-87 | 1165 | 1073 | 15 | 921 |
| 01-20-87 | 794 | 1073 | 6 | 1351 |
| 01-21-87 | 0 | 0 | 0 | Repair |
| 01-22-87 | 209 | 430 | 15 | 2057 |
| 01-23-87 | 822 | 537 | 200 | 653 |
| 01-24-87 | 1042 | 537 | 84 | 515 |
| 01-25-87 | 1032 | 537 | 51 | 520 |
| 01-26-87 | 1002 | 715 | 41 | 714 |
| 01-27-87 | 1139 | 702 | 39 | 616 |
| 01-28-87 | 995 | 715 | 21 | 719 |
| 01-29-87 | 979 | 741 | 15 | 757 |
| 01-30-87 | 955 | 754 | 9 | 790 |
| 01-31-87 | 950 | 767 | 6 | 807 |
| TOTAL | 31424 | 26278 | 734 | 836 |

EXHIBIT F

Arabian Federal #2

Estimated Daily Production

| <u>Date</u> | <u>BO</u> | <u>Mcf</u> | <u>BW</u> | <u>GOR</u> |
|---------------------|-----------|------------|-----------|-------------|
| 02-01-87 | 880 | 819 | 18 | 931 |
| 02-02-87 | 937 | 858 | 24 | 916 |
| 02-03-87 | 919 | 936 | 9 | 1018 |
| 02-04-87 | 0 | 0 | 0 | Shutin Well |
| 02-05-87 | 0 | 0 | 0 | SI |
| 02-06-87 | 0 | 0 | 0 | SI |
| 02-07-87 | 0 | 0 | 0 | SI |
| 02-08-87 | 0 | 0 | 0 | SI |
| 02-09-87 | 0 | 0 | 0 | SI |
| TOTAL | 2736 | 2613 | 51 | 955 |
| CUMULATIVE TOTAL | 66472 | 51127 | 1225 | 769 |

ABO PETROLEUM CORPORATION

EXHIBIT "G"

Docket No. 87-002

Cause No. 196-25

Arabian Federal #2

Economics of Gas Connection

Distance to Nearest Gas Connection = 7 miles northeast to Koch

Distance to Gas Mainline = 34 miles to Northwest at Dove Creek

Typical charges for closest connection

| | |
|------------------------------------|------------------------|
| a) Koch gathering line (14 miles) | \$0.50--\$0.80 per Mcf |
| b) Mountain Fuels line (20 miles) | \$0.20--\$0.40 per Mcf |
| c) Processing charge at Dove Creek | \$0.20--\$0.40 per Mcf |
| Total | \$0.90--\$1.60 per Mcf |
| Midpoint | \$1.25 per Mcf |

Typical sales price -- \$1.00 to \$1.30 per Mcf on Northwest pipeline

Conclusion -- Gas is practically worthless unless alternate outlet is found.
Illustration ignores taxes, royalties and extracted liquids;
but conclusion is the same.

UNICHEM INTERNATIONAL

707 NORTH LEECH

P.O.BOX 1499

HOBBS, NEW MEXICO 88240

COMPANY : ABO PETROLEUM CO.
DATE : 1-27-87
FIELD, LEASE & WELL : AROBIAN #2
SAMPLING POINT : WELLHEAD
DATE SAMPLED : 1-15-87

SPECIFIC GRAVITY = 1.072
TOTAL DISSOLVED SOLIDS = 108811
PH = 6.24

| | | ME/L | MG/L |
|------------------|-------------|---------|--------|
| CATIONS | | | |
| CALCIUM | (CA)+2 | 372 | 7454. |
| MAGNESIUM | (MG)+2 | 144 | 1750. |
| SODIUM | (NA), CALC. | 1409. | 32394. |
| ANIONS | | | |
| BICARBONATE | (HCO3)-1 | .6 | 36.6 |
| CARBONATE | (CO3)-2 | 0 | 0 |
| HYDROXIDE | (OH)-1 | 0 | 0 |
| SULFATE | (SO4)-2 | 24.4 | 1175 |
| CHLORIDES | (CL)-1 | 1900 | 66000 |
| DISSOLVED GASES | | | |
| CARBON DIOXIDE | (CO2) | NOT RUN | |
| HYDROGEN SULFIDE | (H2S) | NOT RUN | |
| OXYGEN | (O2) | NOT RUN | |
| IRON(TOTAL) | (FE) | | 1050. |
| BARIUM | (BA)+2 | 0 | .04 |
| MANGANESE | (MN) | NOT RUN | |

IONIC STRENGTH (MOLAL) = 2.259

SCALING INDEX

TEMP

| | |
|---------------------------|----------|
| CARBONATE INDEX | 30C |
| CALCIUM CARBONATE SCALING | 86F |
| | -.91 |
| | UNLIKELY |
| CALCIUM SULFATE INDEX | -6.0 |
| CALCIUM SULFATE SCALING | UNLIKELY |

Docket No. 87-002., Cause No. 196-25

Philip Lear, atty.

David, Boneaux, employed by Yates Petroleum -
rep. Abo. Petroleum Corp. Acting as a reservoir
engineering manager.

- States that all 3 producing wells in Haven area have been ST since Feb. 4th.
- Feels that rise in GOR indicates reservoir pressure is dropping below bubble point.
- Costs to transport gas actually exceed value of gas sold.
- Requests restricted flaring of Arabian Fed. #2 well at maximum rate of 100 Mcf/D.
- Secondary recovery is being discussed with Meridian currently.
- They are working to develop gas gathering system to other area fields.

Division recommends similar approval conditions as Meridian.

120105

BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

Pow
43-037-31282
Arabian Fed. #2
38 S 24 E Sec. 19

| | | |
|----------------------------------|---|-------------------------------|
| IN THE MATTER OF THE PETITION |) | |
| OF ABO PETROLEUM CORPORATION FOR |) | FINDINGS OF FACT, CONCLUSIONS |
| AN ORDER EXTENDING THE GAS |) | OF LAW, AND ORDER |
| FLARING APPROVALS GRANTED BY |) | |
| ADMINISTRATIVE VARIANCE TO RULE |) | |
| 311.3 FOR THE ARABIAN FEDERAL |) | Docket No. 87-002 |
| #2 WELL SITUATED IN SECTION 19, |) | Cause No. 196-25 |
| TOWNSHIP 38 SOUTH, RANGE 24 |) | |
| EAST, S.L.M., SAN JUAN COUNTY, |) | |
| UTAH |) | |

This cause came on regularly for hearing before the Board of Oil, Gas and Mining (the "Board") on Thursday, February 26, 1987, at 10:00 a.m., in the Boardroom of the Division of Oil, Gas and Mining, 355 West North Temple, 3 Triad Center, Suite 301, Salt Lake City, Utah, pursuant to the Notice of Hearing issued by the Board on February 2, 1987. The following Board members were present and participated in the hearing and decision:

- Gregory P. Williams, Chairman
- James W. Carter
- Charles R. Henderson
- E. Steele McIntyre
- John M. Garr
- Richard B. Larsen
- Judy F. Lever

Staff members of the Division of Oil, Gas and Mining (the "Division") present and participating in the hearing included:

Dr. Dianne R. Nielson, Director

Ronald J. Firth, Associate Director, Oil and Gas

John R. Baza, Petroleum Engineer

Ray Kerns, Geologist, Utah Geological and Mineral Survey

Appearances were made as follows:

| | |
|-------------------------------|--|
| For Abo Petroleum Corporation | Phillip Wm. Lear, Esq. Van Cott, Bagley, Cornwall & McCarthy Salt Lake City, Utah |
|-------------------------------|--|

| | |
|------------------|--|
| For the Division | Barbara W. Roberts, Esq. Assistant Utah Attorney General |
|------------------|--|

| | |
|---------------|--|
| For the Board | Mark C. Moench, Esq. Assistant Utah Attorney General |
|---------------|--|

Testimony was received from, and exhibits were introduced on behalf of, Abo Petroleum Corporation by Dr. David F. Boneau, a petroleum and reservoir engineer, who was recognized by the Board as an expert witness in the context of this matter.

Howard Lemm and Assad Raffoul, appeared representing the Utah State Office, Bureau of Land Management, Branch of Fluid Minerals.

NOW THEREFORE, the Board, having fully considered the testimony adduced and the exhibits received at the hearing, and

being fully advised in the premises, now makes and enters its Findings of Facts, Conclusions of Law, and Order as follows:

FINDINGS OF FACT

1. Notice of the time, place, and purpose of this February 26, 1987 hearing was mailed to all interested parties by certified mail, return receipt requested, on December 2, 1986, and was published in the Deseret News and Salt Lake Tribune on February 2, 1987, and in the San Juan Record on February 4, 1987.

2. Abo Petroleum Corporation ("Abo") is a New Mexico Corporation in good standing and is qualified to do business in the State of Utah. Its principal place of business is Artesia, New Mexico.

3. Abo is the operator of the Arabian Federal #2 Well (sometimes referred to as the "well") situated on the following described lands in San Juan County, Utah:

Township 38 South, Range 24 East, S.L.M.

Section 19: Lot 3 (NW $\frac{1}{4}$ SW $\frac{1}{4}$)

The well is located in the Havasu (Kachina) area of San Juan County, Utah.

4. Abo is the co-lessee of record in the United States Oil and Gas Lease U-56186 upon which the well is located.

5. By administrative action dated January 29, 1987, the Division of Oil, Gas and Mining granted a variance to Rule

311.3 of The Oil and Gas Conservation General Rules (adopted December 2, 1985) authorizing through February 14, 1987, flaring or venting of associated gas in excess of the allowance established by Rule 311.3.

6. Abo plans to construct a gas gathering pipeline to connect to this well, but unexpected delays will not permit completion of the pipeline and sales to the prospective purchaser for several months. In the meantime, it will be necessary to continue to flare or vent produced gas.

7. Abo has obtained permission from the Moab District Office of the Bureau of Land Management to flare gas at an unrestricted rate through February 14, 1987, and at a restricted rate of 100 Mcf/d thereafter.

8. The Arabian Federal #2 was spudded on November 20, 1986, and completed on December 28, 1986, as a well capable of producing oil and gas from the upper Ismay formation. First production was achieved on December 7, 1986.

9. Cumulative production since December 7, 1986, is 66,472 barrels of oil, 51,127 Mcf of gas, and 1,225 barrels of water.

10. Abo voluntarily shut in the Arabian Federal #2 Well on February 4, 1987. The Well has remained shut in to the date of this hearing.

11. Since the date of restricted flaring of gas authorized by the Division, the GOR has dropped below the

bubble point slightly. Flaring for a period not to extend beyond June 30, 1987, will not harm the well or the reservoir.

12. The estimated number of barrels in place in the reservoir is 10 million barrels. An estimated 2 million barrels of oil are recoverable by solution drive during primary recovery. Approximately 5 Bcf of gas are recoverable during primary recovery.

13. The pressures in the Arabian Federal #2 Well and other wells in the reservoir indicate that there is probable communication among wells and that the production from one well in the reservoir while other wells are shut in would result in drainage of the other wells.

14. Unrestricted flaring or restricted flaring for an unlimited period will harm the well and reservoir.

15. The Board has previously authorized other producers in the area of the Arabian Federal #2 Well to flare gas from wells on the reservoir based upon findings that the produced gas cannot be economically marketed under existing circumstances. The gathering and transportation charges for pipelines existing in the vicinity render gathering and transportation charges at existing rates uneconomical.

CONCLUSIONS OF LAW

1. Due and regular notice of the time, place, and purpose of this February 26, 1987 hearing was given to all

interested parties in the form and manner and within the time required by law in the rules and regulations of the Board.

2. The Board has jurisdiction over all matters covered by the Petition and over all parties interested therein and has power and authority to make and promulgate the order herein set forth.

3. Flaring of gas at a restricted rate of 100 Mcf daily maximum, averaged on a monthly basis from the date of this hearing through June 30, 1987, or until the well is connected to a pipeline, whichever period is shorter, will not constitute waste or harm the well or reservoir.

4. Circumstances pertaining to delays in construction of gathering system pipelines justify flaring to permit continued oil production from the wells.

5. Flaring at the restricted rate of 100 Mcf/d through June 30, 1987, will place Abo on equal footing with the operation of other wells in the reservoir under the Order entered in Cause No. 196-24, and will protect Abo's correlative rights in the reservoir.

ORDER

IT IS THEREFORE ORDERED that:

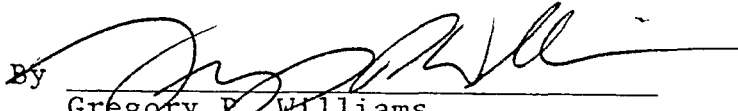
1. Abo's request to continue the exception to Rule 311.3 is granted, and Abo is authorized to flare gas at the restricted rate of 100 Mcf daily maximum, averaged monthly from the date of this hearing through June 30, 1987, or until the

Arabian Federal #2 Well is connected to a pipeline, whichever occurs first.

2. The Board retains continuing jurisdiction of all matters covered by this Order and over all parties affected thereby. The Board reserves continuing jurisdiction to make further orders as authorized by statute and applicable regulations.

DATED this 26th day of March, 1987, but effective February 26, 1987.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING

By 
Gregory P. Williams
Chairman

Approved as to form:


Mark G. Moench
Assistant Attorney General

5587L
030487

August 3, 1988
Billings, Montana

CONVERT TO WIW
ABO No. 2
Kachina Field
San Juan County, Utah

Pertinent Data:

(to be added later)

Procedure:

- 1) MIRU service unit.
- 2) POOH w/rods and pump.
- 3) NU BOP, release anchor and POOH.
- 4) PU and RIH with 4-3/4" bit and 5-1/2" casing scraper to PBTD. Circulate down backside with hot oil followed by hot produced water. Displace oil back through flowline to treater and fill flowline with water. POOH.
- 5) PU & RIH with Baker inverted lok-set Model 45A4 packer, one jt 2-7/8" tbg, Baker "R" nipple (2.250" ID, 2.197" No-Go) on 2-7/8" tbg (change out all tubing collars to AB modified). Hydrotest tubing in hole (test all connections for at least 1 to 2 minutes for small leaks!). Circulate annulus with packer fluid (90 bbls treated injected water from Kiva mixed with 40 gals corrosion inhibitor) and set packer at 5700'±. Test annulus to 2500 psi.
- 6) Nipple down BOP and set wellhead.
- 7) Rig down & move out. Wait on completion of injection facilities.
- 8) Upon completion of facilities, place well on injection in the Upper Ismay perms at approximately 1200 BWPD with a maximum wellhead pressure of 3700 psi.

Prepared by: RE Schuyler / 8-4-88
R. E. Schuyler, Senior Production Engineer (date)

Approved: TC Lechner / 8-18-88
T. C. Lechner, Regional Production Engineer (date)

Approved: John Pulley / 8-4-88
John Pulley, Completion Superintendent (date)

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
UTAH STATE OFFICE

3046
REC'D MCO AUG 10 1984

020831

OIL OR HAZARDOUS SUBSTANCE DISCHARGE

1. Investigation Number _____ Date of Spill 1-26-88 Time AM (Military)
Spill Notification: By _____ Date _____ Time _____
Investigators NONE YET
Investigation Date _____ Time _____ Investigation Time (man/hrs) _____
EPA Notification NA State Division of Health Notification NA

2. Place of spill ALKALI CANYON
Legal Description T38S R24E AL 19
County SAN JUAN Nearest Town BLANDING UTAH
Did spill enter a waterway? NO If so, name _____ class _____
Extent of spill 230 BARRELS
Type of spill (Region VIII Contingency Plan Definitions) major _____ medium X
minor _____
Responsible Pollutor MEDISON OIL Address PILLINGS MOUNT
Contact Person (if known) BILL SCOW Phone Number 256 4121

Type of Operation - check one:

| | | | |
|----------|-------|----------------|----------|
| Pipeline | _____ | Tank Battery | <u>X</u> |
| Drilling | _____ | Transportation | _____ |
| Refinery | _____ | List Vehicle | _____ |
| Other | _____ | | |

Type of Oil or Product and Amount:

| | | | |
|----------|-------|-------|----------|
| Gasoline | _____ | Cruce | <u>X</u> |
| Kerosene | _____ | Other | _____ |

(RETURN)

Cause of spill LEAK IN LINE FROM LAC METER TO SUMP TANK
LOST OIL CONTAINED WITHIN FIREWALL.

3. Draw a simple map showing permanent landmarks and extent of spill on the reverse side of this page.

4. Cleanup Operations: Date of Cleanup Completion 1-26-88 Time _____

Methods - check those which apply:

| | | | |
|----------|----------|-----------------|----------|
| Burning | <u>X</u> | Absorption | _____ |
| Skimming | <u>X</u> | Burial | <u>X</u> |
| Pumping | <u>X</u> | Other (explain) | _____ |

Brief summary of cleanup operation (problem, etc.)

OIL CONTAINED WITHIN FIREWALL WILL BE PUMPED OUT. REMAINING
OIL WILL BE BURNED AND ANY RESIDUE REMOVED TO RESERVE PIT
ON 42-24

5. Remarks _____

38 S 24E
sec. 19

43-037-31287 POW

43-037-31314 Drl. (cont.)

43-037-31301 Drl. (cont.)

43-037-31282 POW

43-037-31278 POW

43-037-31302 Drl. (cont.)

43-037-31296 Drl. (cont.)

~~43-037-31295~~

43-037-31300 Drl. (cont.)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or to change the direction of a well.
Use "APPLICATION FOR PERMIT" for such proposals.)

RECEIVED
AUG 11 1988

1. OIL WELL ☒ GAS WELL ☐ OTHER ☐

2. NAME OF OPERATOR

Abo Petroleum Corporation

3. ADDRESS OF OPERATOR

105 South 4th St., Artesia, NM 88210

DIVISION OF
OIL, GAS & MINING

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.
See also space 17 below.)

At surface

2180' FSL & 950' EWL (NW/SW)

14. PERMIT NO.

API #43-037-31282

15. ELEVATIONS (Show whether DF, RT, GR, etc.)

5082' GR

5. LEASE DESIGNATION AND SERIAL NO

U-56186

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Arabian Federal

9. WELL NO.

2

10. FIELD AND POOL, OR WILDCAT

Kachina

11. SEC., T., R., M., OR BLK. AND
SURVEY OR AREA

Sec. 19-T38S-R24E

12. COUNTY OR PARISH

San Juan

13. STATE

Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

PULL OR ALTER CASING

FRACTURE TREAT

MULTIPLE COMPLETE

SHOOT OR ACIDIZE

ABANDON*

REPAIR WELL

CHANGE PLANS

(Other)

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

REPAIRING WELL

FRACTURE TREATMENT

ALTERING CASING

SHOOTING OR ACIDIZING

ABANDONMENT*

(Other) Change Operator

(NOTE: Report results of multiple completion on Well
Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

EFFECTIVE AUGUST 1, 1988.

CHANGE OPERATOR FROM: ABO PETROLEUM CORPORATION
105 South 4th Street
Artesia, NM 88210

TO: MERIDIAN OIL COMPANY
175 North 27th Street
PO Box 1855
Billings, MT 59103

18. I hereby certify that the foregoing is true and correct

SIGNED

TITLE

Production Supervisor

DATE

8-4-88

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT" for such proposals.)

| | | | | |
|---|--|---|--|---|
| 1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> | | AUG 15 1988 | | 5. LEASE DESIGNATION AND SERIAL NO. U-56186 |
| 2. NAME OF OPERATOR MERIDIAN OIL INC. | | DIVISION OF OIL, GAS & MINING | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A |
| 3. ADDRESS OF OPERATOR P. O. Box 1855, Billings, MT 59103 | | | | 7. UNIT ACREMENT NAME |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface NWSW (2180' FSL - 950' FWL) | | | | 8. FARM OR LEASE NAME Arabian Federal |
| 16. PERMIT NO. 43-037-31282 | | 18. ELEVATIONS (Show whether on, at, or etc.) 5082' GL | | 9. WELL NO. 2 |
| | | | | 10. FIELD AND POOL, OR WILDCAT Kachina |
| | | | | 11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA Section 19-38S-24E |
| | | | | 12. COUNTY OR PARISH San Juan |
| | | | | 13. STATE Utah |

14. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
|--|---|---|--|
| TEST WATER SHUT-OFF <input type="checkbox"/> | PULL OR ALTER CASING <input type="checkbox"/> | WATER SHUT-OFF <input type="checkbox"/> | REPAIRING WELL <input type="checkbox"/> |
| FRACTURE TREAT <input type="checkbox"/> | MULTIPLE COMPLETE <input type="checkbox"/> | FRACTURE TREATMENT <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| SHOOT OR ACIDIZE <input type="checkbox"/> | ABANDON* <input type="checkbox"/> | SHOOTING OR ACIDIZING <input type="checkbox"/> | ABANDONMENT* <input type="checkbox"/> |
| REPAIR WELL <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | (Other) CHANGE OF OPERATOR <input checked="" type="checkbox"/> | |
| (Other) <input type="checkbox"/> | | (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) | |

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and names pertinent to this work.)

Change of Operator from: Abo Petroleum Corporation
105 South 4th St., Artesia, NM 88210

to: Meridian Oil Inc.

Effective August 1, 1988.

18. I hereby certify that the foregoing is true and correct

| | | |
|--|--|--------------------|
| SIGNED <u>W. A. Brown</u> | TITLE <u>Production Superintendent</u> | DATE <u>8/5/88</u> |
| (This space for Federal or State office use) | | |
| APPROVED BY _____ | TITLE _____ | DATE _____ |
| CONDITIONS OF APPROVAL, IF ANY: BLM (3), UOGC (3) | | |

*See Instructions on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different formation.
Use "APPLICATION FOR PERMIT" for such proposals.)

| | | |
|--|--|---|
| 1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> | | 5. LEASE DESIGNATION AND SERIAL NO. U-56186 |
| 2. NAME OF OPERATOR MERIDIAN OIL INC. | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A |
| 3. ADDRESS OF OPERATOR P. O. Box 1855, Billings, MT 59103 | | 7. UNIT AGREEMENT NAME |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface NWSW (2180' FSL--950' FWL) | | 8. FARM OR LEASE NAME Arabian Federal |
| 14. PERMIT NO. 43-037-31282 | | 9. WELL NO. 2 |
| 15. ELEVATIONS (Show whether SP, ST, or, etc.) 5082' GL | | 10. FIELD AND POOL, OR WILDCAT Kachina |
| | | 11. SEC., T., R., M., OR BLK. AND SUBST. OR AREA Section 19-38S-24E |
| | | 12. COUNTY OR PARISH San Juan |
| | | 13. STATE Utah |

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
|-------------------------|-------------------------------------|-----------------------|--------------------------|
| TEST WATER SHUT-OFF | <input type="checkbox"/> | WATER SHUT-OFF | <input type="checkbox"/> |
| FRACURE TREAT | <input type="checkbox"/> | FRACURE TREATMENT | <input type="checkbox"/> |
| SHOOT OR ACIDISE | <input type="checkbox"/> | SHOOTING OR ACIDISING | <input type="checkbox"/> |
| REPAIR WELL | <input type="checkbox"/> | (Other) | <input type="checkbox"/> |
| (Other) | Shut Well In | | |
| PLUG OR ALTER CASING | <input type="checkbox"/> | REPAIRING WELL | <input type="checkbox"/> |
| MULTIPLE COMPLETE | <input type="checkbox"/> | ALTERING CASING | <input type="checkbox"/> |
| ABANDON* | <input type="checkbox"/> | ABANDONMENT* | <input type="checkbox"/> |
| CHANGE PLANS | <input type="checkbox"/> | | |
| | <input checked="" type="checkbox"/> | | |

17. DESCRIBE PROMISED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

Well will be shut in effective August 8, 1988 awaiting completion of waterflood facilities. Tentative date of return to production December 1, 1988.

18. I hereby certify that the foregoing is true and correct

SIGNED W. A. Brown TITLE Production Superintendent DATE 8/5/88

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

BLM (3), UOGC (3)

*See Instructions on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or to convert a well to a water injection well.
Use "APPLICATION FOR PERMIT" for such proposals.)

RECEIVED
SEP 15 1988

| | | |
|--|--|--|
| 1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> | | 5. LEASE DESIGNATION AND SERIAL NO. U-56186 |
| 2. NAME OF OPERATOR MERIDIAN OIL INC. | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A |
| 3. ADDRESS OF OPERATOR P. O. Box 1855, Billings, MT 59103 | | 7. UNIT AGREEMENT NAME Kachina |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface NWSW (2180' FSL - 950' FWL) | | 8. FARM OR LEASE NAME Arabian Federal |
| 14. PERMIT NO. 43-037-31282 | | 9. WELL NO. 2 |
| 15. ELEVATIONS (Show whether DF, RT, OR, etc.) 5082' GL | | 10. FIELD AND POOL, OR WILDCAT Kachina |
| | | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 19-38S-24E |
| | | 12. COUNTY OR PARISH San Juan |
| | | 13. STATE Utah |

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

| | |
|--|---|
| TEST WATER SHUT-OFF <input type="checkbox"/> | PULL OR ALTER CASING <input type="checkbox"/> |
| FRACTURE TREAT <input type="checkbox"/> | MULTIPLE COMPLETE <input type="checkbox"/> |
| SHOOT OR ACIDIZE <input type="checkbox"/> | ABANDON* <input type="checkbox"/> |
| REPAIR WELL <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> |
| (Other) Convert to Water Injection <input checked="" type="checkbox"/> | |

SUBSEQUENT REPORT OF:

| | |
|--|--|
| WATER SHUT-OFF <input type="checkbox"/> | REPAIRING WELL <input type="checkbox"/> |
| FRACTURE TREATMENT <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| SHOOTING OR ACIDIZING <input type="checkbox"/> | ABANDONMENT* <input type="checkbox"/> |
| (Other) <input type="checkbox"/> | |

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Meridian Oil Inc. proposes to convert subject well to a water injection well as per attached procedure.

18. I hereby certify that the foregoing is true and correct

SIGNED W. H. Brown

TITLE Production Superintendent

DATE 9/12/88

(This space for Federal or State office use)

APPROVED BY _____
CONDITIONS OF APPROVAL, IF ANY:

TITLE _____

DATE _____

*See Instructions on Reverse Side

BEFORE THE DIVISION OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

---0000---

| | | |
|---------------------------------------|---|-------------------------|
| IN THE MATTER OF THE APPLICATION | : | NOTICE OF AGENCY ACTION |
| OF MERIDIAN OIL FOR ADMINISTRATIVE | : | |
| APPROVAL OF THE HAVASU FEDERAL | : | CAUSE NO. UIC-114 |
| NO. 11-19 AND NO. 42-24 WELLS AND | : | |
| ARABIAN FEDERAL NO. 2 LOCATED IN | : | |
| SECTIONS 19 AND 24 TOWNSHIP 38 SOUTH, | : | |
| RANGE 24 AND 23 EAST, S.L.M., | : | |
| SAN JUAN COUNTY, UTAH, AS CLASS II | : | |
| INJECTION WELLS | : | |

---0000---

THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE ABOVE ENTITLED MATTER.

Notice is hereby given that the Division is commencing an informal adjudicative proceeding to consider the application of Meridian Oil Incorporated for administrative approval of the Havasu Federal No. 11-19 and No. 42-24 wells, and Arabian Federal No. 2 well located in Sections 19 and 24, Township 38 South, Range 24 and 23 East SLM, San Juan County, Utah, for conversion to Class II injection wells. The proceeding will be conducted according to the provisions of the Administrative Procedures rules, R615-10.

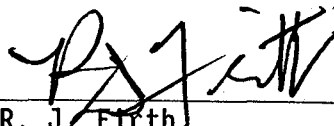
The operating data for the wells is as follows:

Injection Interval: Paradox Formation, 5723' to 5850'
Maximum Injection Rate/Surface Pressure: 2000 bwpd @ 3700 psig

Administrative approval of this application will be granted unless an objection is filed within fifteen days after publication of this notice by any person authorized to participate as a party in this adjudicative proceeding. If an objection is received by the Division, a formal adjudicative proceeding will be scheduled before the Board of Oil, Gas and Mining.

DATED this 27th day of October, 1988

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING



R. J. Fifth
Associate Director, Oil and Gas

Publications sent to the following

Meridian Oil Inc.
P.O. Box 1855
Billings, Montana 59103

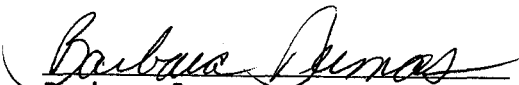
Newspaper Agency Corporation
Legal Advertising
157 Regent Street
Salt Lake City, Utah 84110

San Juan Record
P.O. Box 879
937 East Highway 666
Monticello, Utah 84535-0879

Bureau of Land Management
Moab District Office
P. O. Box 970
Moab, Utah 94532

U.S. EPA
999 18th Street Suite 500
Denver, Colorado 80202-2405

Richard C. Perkins
184 North 100 West (16-4)
Blandinag, Utah 84511


Barbara Dumas
Oil and Gas Technician
October 12, 1988

TEMPORARY

FILING FOR WATER IN THE STATE OF UTAH

NOV 17 1988

RECEIVED
NOV 30 1988

NOV 1 1988
DIVISION OF
OIL, GAS & MINING

Sec. by L.K.
90.00
Fee Rec.
Receipt # 25260

APPLICATION TO APPROPRIATE WATER

SALT LAKE

TEMPORARY

Microfilmed

Roll #

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of the Laws of Utah.

* WATER USER CLAIM NO. 09 — 1615

* APPLICATION NO. A T63657

1. PRIORITY OF RIGHT: November 14, 1988

* FILING DATE: November 14, 1988

2. OWNER INFORMATION

Name(s): MERIDIAN OIL INC. * Interest: _____ %

Address: P.O. Box 1855, Billings, MT 59103

Is the land owned by the applicant? Yes _____ No X

(If "No", please explain in EXPLANATORY section.)

3. QUANTITY OF WATER: _____ cfs and/or 300 ac-ft

4. SOURCE: Wash Unit Well No. 2 * DRAINAGE: _____

which is tributary to _____

which is tributary to _____

POINT(S) OF DIVERSION:

COUNTY: San Juan

470' FSL - 850' FEL, Section 13, T38S, R23E

N. 470 ft. & W. 850 ft. from SE Cor. Sec. 13, T38S, R23E, SLB&M.

Description of Diverting Works: 5-1/2" casing set @ 6064'

* COMMON DESCRIPTION: 13 miles SE of Blanding Montezuma Creek Quad

5. POINT(S) OF REDIVERSION

The water will be rediverted from N/A at a point:

Description of Rediverting Works: _____

6. POINT(S) OF RETURN

The amount of water consumed is _____ cfs or 300 ac-ft

The amount of water returned is _____ cfs or _____ ac-ft

The water will be returned to the natural stream/source at a point(s): _____

7. STORAGE

Reservoir Name: N/A Storage Period: from _____ to _____

Capacity: _____ ac-ft. Inundated Area: _____ acres

Height of dam: _____ feet

Legal description of inundated area by 40 acre tract: _____

TEMPORARY

* These items are to be complete by Division of Water Rights

Appropriate

8. List any other water rights which are or will supplement this application _____

9. NATURE AND PERIOD OF USE

| | |
|-------------------|---|
| Stockwatering: | From _____ to _____ |
| Domestic: | From _____ to _____ |
| Municipal: | From _____ to _____ |
| Mining: | From _____ to _____ |
| Power: | From _____ to _____ |
| Other: Waterflood | From <u>November 11</u> to <u>November 11, 1989</u> |
| Irrigation: | From <u>1988</u> to _____ |

10. PURPOSE AND EXTENT OF USE

Stockwatering (number and kind): _____
Domestic: _____ Families and/or _____ Persons
Municipal (name): _____
Mining: _____ Mining District in the _____ Mine
Ores mined: _____
Power: Plant name: _____ Type: _____ Capacity: _____
Other (describe): Secondary Recovery - Water source for Kachina Waterflood
Irrigation: _____ acres. Sole supply of _____ acres
Legal description of irrigated area by 40 acre tract: _____

11. PLACE OF USE

Legal description of areas of use other than irrigation, if not the same as irrigated area above, by 40 acre tract: 42-24 Havasu Federal, SENE Section 24, T38S, R23E 43-037-31298 - Sow
11-19 Havasu Federal, NWNW Section 19, T38S, R24E 43-037-31458 - D.M.
ABO #2 Arabian Federal, NWSW Section 19, T38S, R24E 43-037-31282 - Sow

12. EXPLANATORY

The following is set forth to define more clearly the full purpose of this application. (Use additional pages of same size if necessary): Landowner - Federal Lease No. U-20894. Water production will be utilized for injection into the Ismay formation for enhanced recovery. Water production is from the Shinarump formation (2850'-2948') and is brackish (see attached analysis).

The applicant(s) hereby acknowledges that he/she/they are a citizen(s) of the United States of America or intends to become such a citizen(s). The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purposes herein described. The undersigned hereby acknowledges that even though he/she/they may have been assisted in the preparation of the above-numbered application through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of the information contained herein, at the time of filing, rests with the applicant(s).

William A. Dineen
Signature of Applicant(s)

TEMPORARY

43-037-31298

STATE ENGINEER'S ENDORSEMENT

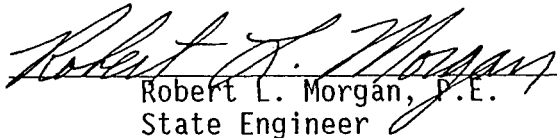
WATER RIGHT NUMBER: 09 - 1615

APPLICATION NO. T63657

1. November 14, 1988 Application received by MP.
 2. November 15, 1988 Application designated for APPROVAL by MP and KLJ.
 3. Comments:
-
-

Conditions:

This application is hereby APPROVED, dated November 29, 1988, subject to prior rights and this application will expire on November 29, 1989.


Robert L. Morgan, P.E.
State Engineer

UTAH
NATURAL RESOURCES
OIL, GAS AND MINING

2 Triad Center, Suite 350, Salt Lake City, UT 84180-12

Ph. (801)538-50

APPLICATION FOR INJECTION WELL

Operator: Meridian Oil Inc. Telephone: (406)-256-4000

Address: P.O. Box 1855

City: Billings State: MT Zip: 59103

Well no.: 11-19 Havasu Federal Field or Unit name: Kachina Unit

Sec.: 19 Twp.: 38S Rng.: 24E County: San Juan Lease no. U-56188

| | <u>YES</u> | <u>NO</u> |
|--|---------------|---------------|
| Is this application for expansion of an existing project?..... | <u> </u> | <u>X</u> |
| Will the proposed well be used for: Enhanced recovery?..... | <u>X</u> | <u> </u> |
| Disposal?..... | <u> </u> | <u>X</u> |
| Storage?..... | <u> </u> | <u>X</u> |
| Is this application for a new well to be drilled?..... | <u>X</u> | <u> </u> |
| Has a casing test been performed for an existing well?..... | <u> </u> | <u>X</u> |
| (If yes, date of test: <u> </u>) | | |

Injection interval: from 5750 (est) to 5850 (est)

Maximum injection: rate 2000 (est) pressure 3700 psig

Injection zone contains X oil, gas or fresh water within 1/2 mile.

Additional information as required by R615-5-2 should accompany this form.

I hereby certify that the foregoing is true and correct to the best of my knowledge:

Signed: Ronald E. Schuyler Title: Senior Production Engineer Date: 9-29-88

(This space for DOGM approval)

Approved by: Title: Date:

UTAH
NATURAL RESOURCES
OIL, GAS AND MINING

3 Triad Center, Suite 350, Salt Lake City, UT 84180-12

Ph. (801)528-53

APPLICATION FOR INJECTION WELLOperators: Meridian Oil Inc. Telephone: (406)-256-4000Address: P.O. Box 1855City: Billings State: MT Zip: 59103Well no.: 42-24 Havasu Federal Field or Unit name: Kachina UnitSec.: 24 Twp.: 38S Rng.: 23E County: San Juan Lease no. U-20895

| | <u>YES</u> | <u>NO</u> |
|--|------------|-----------|
| Is this application for expansion of an existing project?..... | | <u>X</u> |
| Will the proposed well be used for: Enhanced recovery?..... | <u>X</u> | |
| Disposal?..... | | <u>X</u> |
| Storage?..... | | <u>X</u> |
| Is this application for a new well to be drilled?..... | | <u>X</u> |
| Has a casing test been performed for an existing well?..... | | <u>X</u> |
| (If yes, date of test: _____) | | |

Injection interval: from 5759 to 5849Maximum injection: rate 2000 (est) pressure 3700 psigInjection zone contains X oil, _____ gas or _____ fresh water within 1/2 mile.

Additional Information as required by R615-5-2 should accompany this form.

I hereby certify that the foregoing is true and correct to the best of my knowledge

Signed: Ronald E. Schuyler Title: Senior Production Engineer Date: 9-29-88

(This space for DOGM approval)

Approved by: _____ Title: _____ Date: _____

UTAH
NATURAL RESOURCES
OIL, GAS AND MINING

3 Triad Center, Suite 250, Salt Lake City, UT 84180-12

Ph. (801)528-52

APPLICATION FOR INJECTION WELLOperator: Meridian Oil Inc. Telephone: (406)-256-4000Address: P.O. Box 1855City: Billings State: MT Zip: 59103Well no.: Arabian Federal No. 2 Field or Unit name: Kachina UnitSec.: 19 Twp.: 38S Rng.: 24E County: San Juan Lease no. U-56188

| | <u>YES</u> | <u>NO</u> |
|--|------------|-----------|
| Is this application for expansion of an existing project?..... | | <u>X</u> |
| Will the proposed well be used for: Enhanced recovery?..... | <u>X</u> | |
| Disposal?..... | | <u>X</u> |
| Storage?..... | | <u>X</u> |
| Is this application for a new well to be drilled?..... | | <u>X</u> |
| Has a casing test been performed for an existing well?..... | | <u>X</u> |

(If yes, date of test: _____)

Injection interval: from 5723 to 5789Maximum injection rate 2000 (est) pressure 3700 psigInjection zone contains X oil, _____ gas or _____ fresh water within 1/2 mile.

Additional information as required by R615-5-2 should accompany this form.

I hereby certify that the foregoing is true and correct to the best of my knowledge:

Signed: Ronald E Schuyler Title: Senior Production Engineer Date: 9-29-88

(This space for DOGM approval)

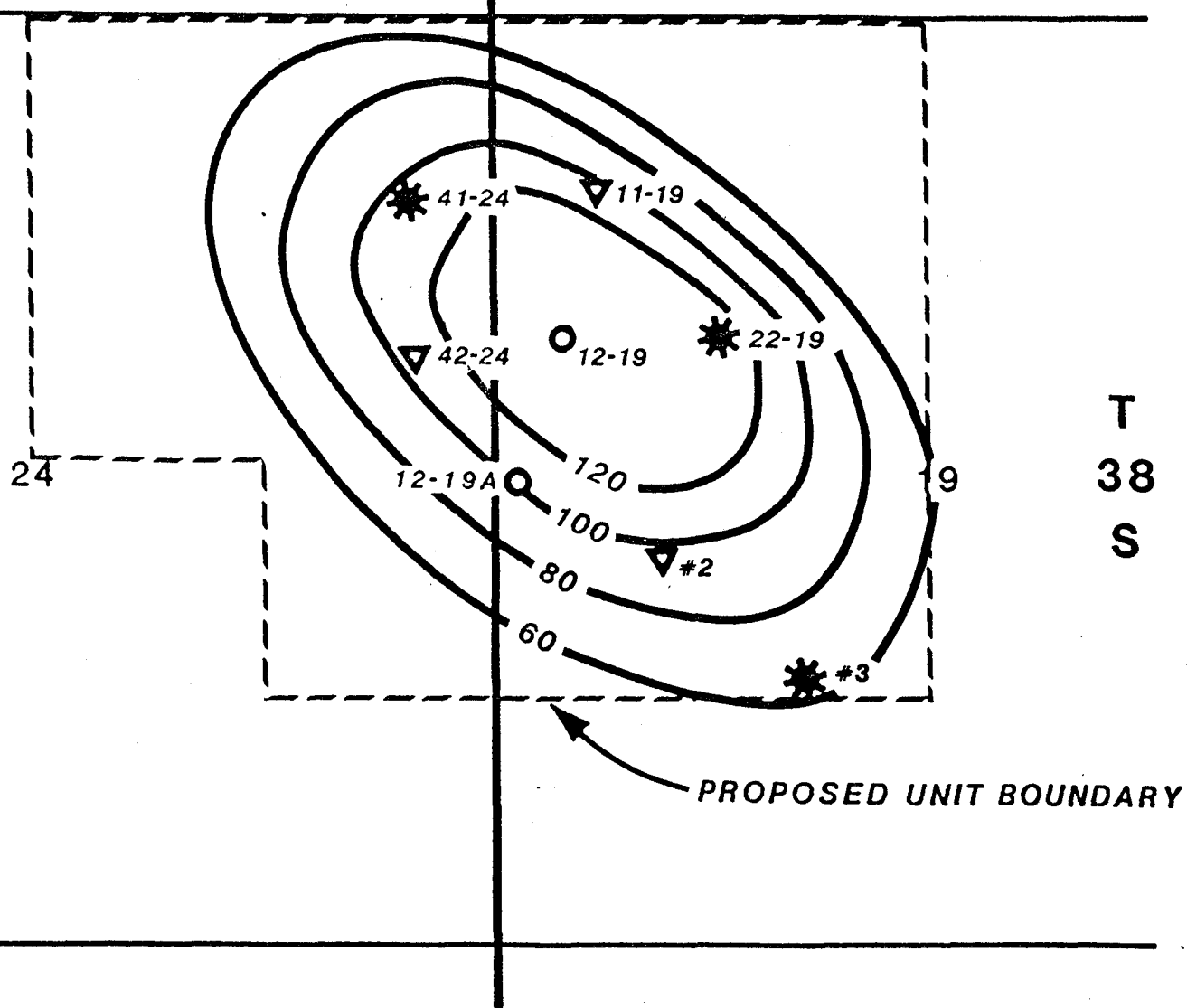
Approved by: _____ Title: _____ Date: _____

R 23 E

R 24 E

13-34

Wash Unit #2



T
38
S

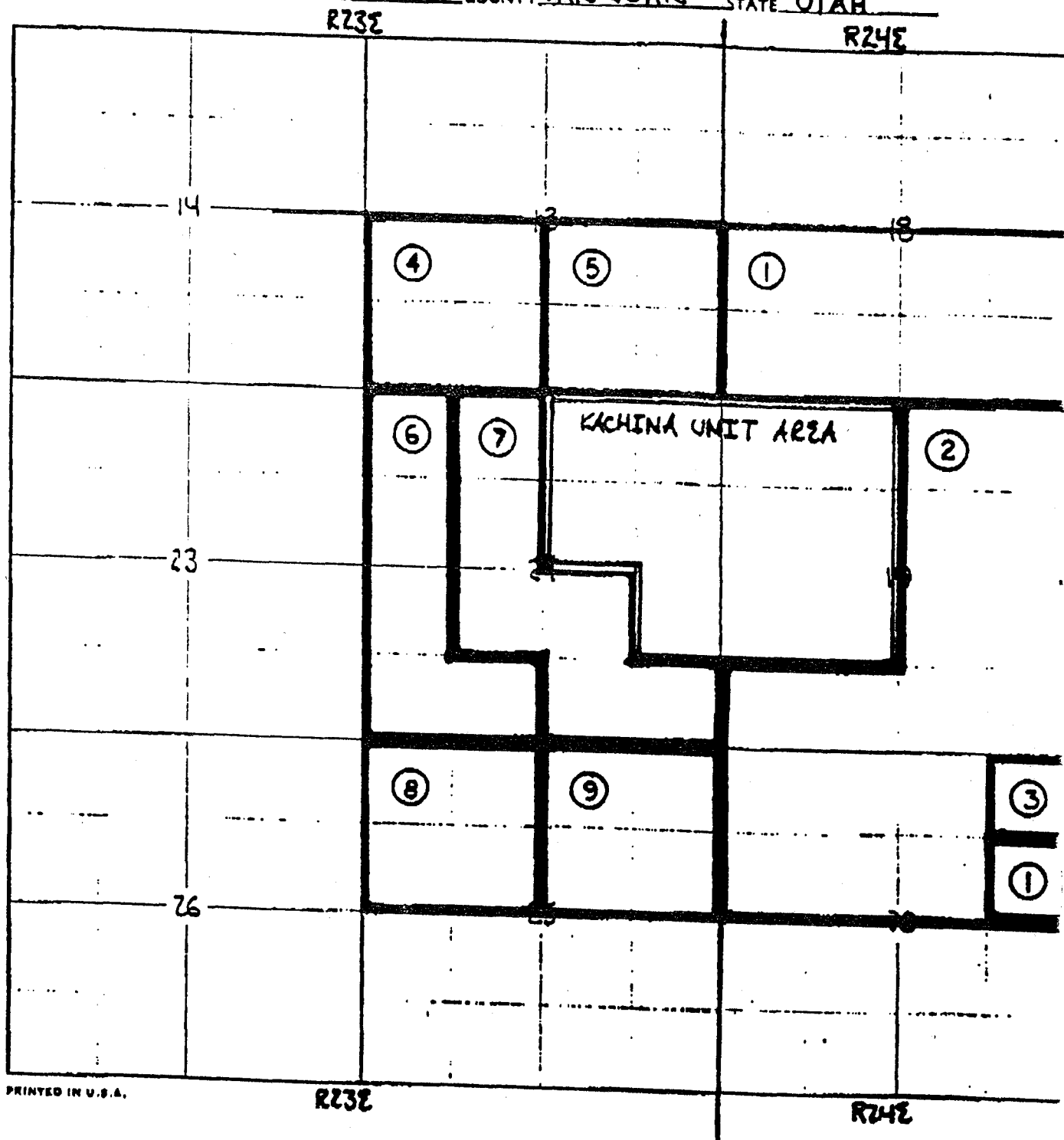
KACHINA FIELD

SAN JUAN COUNTY, UTAH

▽ Proposed Injector

○ Proposed Producer

TOWNSHIP 38 SOUTH RANGE 23-24 EAST COUNTY SAN JUAN STATE UTAH



PRINTED IN U.S.A.

I, Suzann S. Nelson do hereby certify that the following owners/operators have been sent certified copies of the Request for Approval for three (3) Class II Water Injection wells for the Kachina Unit Waterflood in San Juan County, Utah.

Maurice W. Brown
614 Greeley Highway
Cheyenne, WY 82007

Peggy A. Yates
c/o ABO Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

BWAB 1984-1986 Joint Venture
1801 California
Suite 1000
Denver, CO 80202

Union Pacific Resources Co.
P.O. Box 1257
Englewood, CO 80150

Samedan Oil Corporation
2550 Security Life Building
1616 Glenarm Place
Denver, CO 80202

OXY USA, INC.
P.O. Box 1919
Midland, TX 79702

Wintershall Petroleum Corporation
5251 DTC Parkway
Suite 500
Englewood, CO 80111

Raymond T. Duncan
1777 South Harrison Street
Penthouse 1
Denver, CO 80210

Comdisco Resources, Inc.
c/o Raymond T. Duncan
1777 S. Harrison Street
Penthouse 1
Denver, CO 80210

Hartwell Corporation 83
5941 S. Middleton Road
Suite 103
Littleton, CO 80123

Tenneco Oil Company
P.O. Box 3249
Englewood, CO 80155

Duncan Exploration
1777 South Harrison Street
Penthouse 1
Denver, CO 80210

Texaco Producing Inc.
P.O. Box 2100
Denver, CO 80201

Chorney Oil Company
Suite 1000
555 Seventeenth
Denver, CO 80202-3910

William C. Armor, Jr.
3422 South Energy Lane
Casper, WY 82604

Synergy Exploration Inc.
1777 S. Harrison
Penthouse 1
Denver, CO 80210

Richard C. Perkins
184 North 100 West (16-4)
Blanding, UT 84511

United States of America
Bureau of Land Management
Utah State Office
Suite 301
324 South State Street
Salt Lake City, UT 84111

ABO Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

Western Gas Processors
Suite 609
10701 Melody Drive
Denver, CO 80234

Notary Seal

Notary Public *Deborah D. Allen*
State of Montana
County of Yellowstone
My Commission expires 2-28-90

MERIDIAN OIL

October 10, 1988

State of Utah
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

RE: Request for approval for three Class II water injection wells for the Kachina Unit Waterflood, San Juan County, Utah.

Dear Sirs:

Please find enclosed the information required by Rule R615-5-2 as directed by your letter of September 21, 1988. We are requesting approval to inject water into the Ismay formation in the Kachina Unit (located in Section 24, T38S, R23E and Section 19, T38S, R24E) for the purpose of increasing the ultimate oil recovery. We plan to drill one new well (11-19 Havasu Federal) and convert two existing wells (42-24 Havasu Federal and the Abrabian Federal #2) to water injectors. The information required is as follows:

R615-5-2.0: Form DOGM-UIC-1 (Attachment 1, 2 & 3)

- 2.1: A plat showing the location of the injection wells (Attachment 4).
- 2.2: Copies of all logs run on the injection wells. The logs of the two existing wells (42-24 and ABO #2) are on file with the state and the logs of the new well (11-19) will be filed when they are run after the well is drilled.
- 2.3: Copies of the cement bond logs on the injection wells. Bond logs of the existing wells are on file and the new well will be logged and filed with the State when the well is drilled.
- 2.5: Description of the casing and proposed method for testing the casing before use as an injection well.

42-24 Havasu Federal (existing well)

Surface casing: 8-5/8" 24# J-55 set @ 1906'.
Cemented to surface.

Production casing: 5-1/2" 17# J-55 set @ 6117'.
Cemented with 650 sxs Class "B" with 16% gel followed by 162 sxs Class "B" cement.

Arabian Federal #2 (existing well)

Surface casing: 8-5/8" 24# J-55 set @ 1954'.
Cemented to surface.

Production casing: 5-1/2" 15.5# J-55 set @ 6095'.
Cemented with 350 sxs Class "H" cement.

11-19 Havasu Federal (proposed well)

Surface casing: 8-5/8" 24# K-55 set @ 1900'.
Cemented to surface.

Production casing: 5-1/2" 15.5# K-55 set @ 5950'.
Cemented with 365 sxs Class "B" with 16% gel followed
by 100 sxs Class "B" cement.


The casing in all wells will be pressure tested to
2500 psi prior to starting injection into the Ismay
formation.

- 2.6 The water to be used for injection in these wells will
be produced from the Cutler and Wingate formations in
the Wash Unit #2 well located SESE Section 13, T39S,
R23E. We will attempt to produce approximately 6000
BWPD from this well and inject a maximum of 2000 BWPD
per injection well.
- 2.7 The recompletion of the proposed water source well
(Wash Unit #2) has not been completed at this time.
The proposed water source formations and the injection
zone are the same as our existing waterflood in the
Kiva Field located in Sections 4, 5, & 9, T39S, R25E.
Upon completion of the water source well, we will
sample the source well and submit this information to
you.
- 2.8 The proposed maximum injection pressure will be 3750
psi and average injection pressure will be 3700 psi.
- 2.9 After the two existing proposed injection wells are
converted to injectors, we will run a step-rate test
on each well to determine the fracture gradient in the
area. This information will be forwarded to you as
soon as possible.
- 2.10 Water injection in the Kachina waterflood will be into
Upper Ismay zone of the Pennsylvanian Paradox
formation. Kachina is a NWSE trending carbonate
stratigraphic trap which is approxiamtely 1 mile long
and 1/2 mile wide. It is bounded on all sides and
overlain by an impermeable anhydrite. The reservoir
is underlain by the Hovenweep Shale. Maximum net
thickness is 132' at an average depth of 5800'.

- 2.11 There are (5) existing wells in the Kachina Field which penetrate the Ismay reservoir. The minimum amount of cement used in any of these wells was 350 sxs in the Arabian Federal #2. This amount of cement would cover over 3000' above the Ismay formation and should be more than enough to mechanically isolate the reservoir from any possible migration outside the casing string.
- 2.12 Affidavit certifying that a copy of this application has been provided to all operators, owners, and surface owners within a 1/2 miles radius of the proposed injection wells (Attachment 5).

If you has any questions or require additional data regarding the proposed Kachina waterflood, please call me at (406)-256-4030. Thank you for your prompt attention to our application.

Sincerely,



Ron Schuyler
Senior Production Engineer

Attachments

RES/njl

Operator

Meridian Oil

Well

42-24, 11-19 & Arabian #2

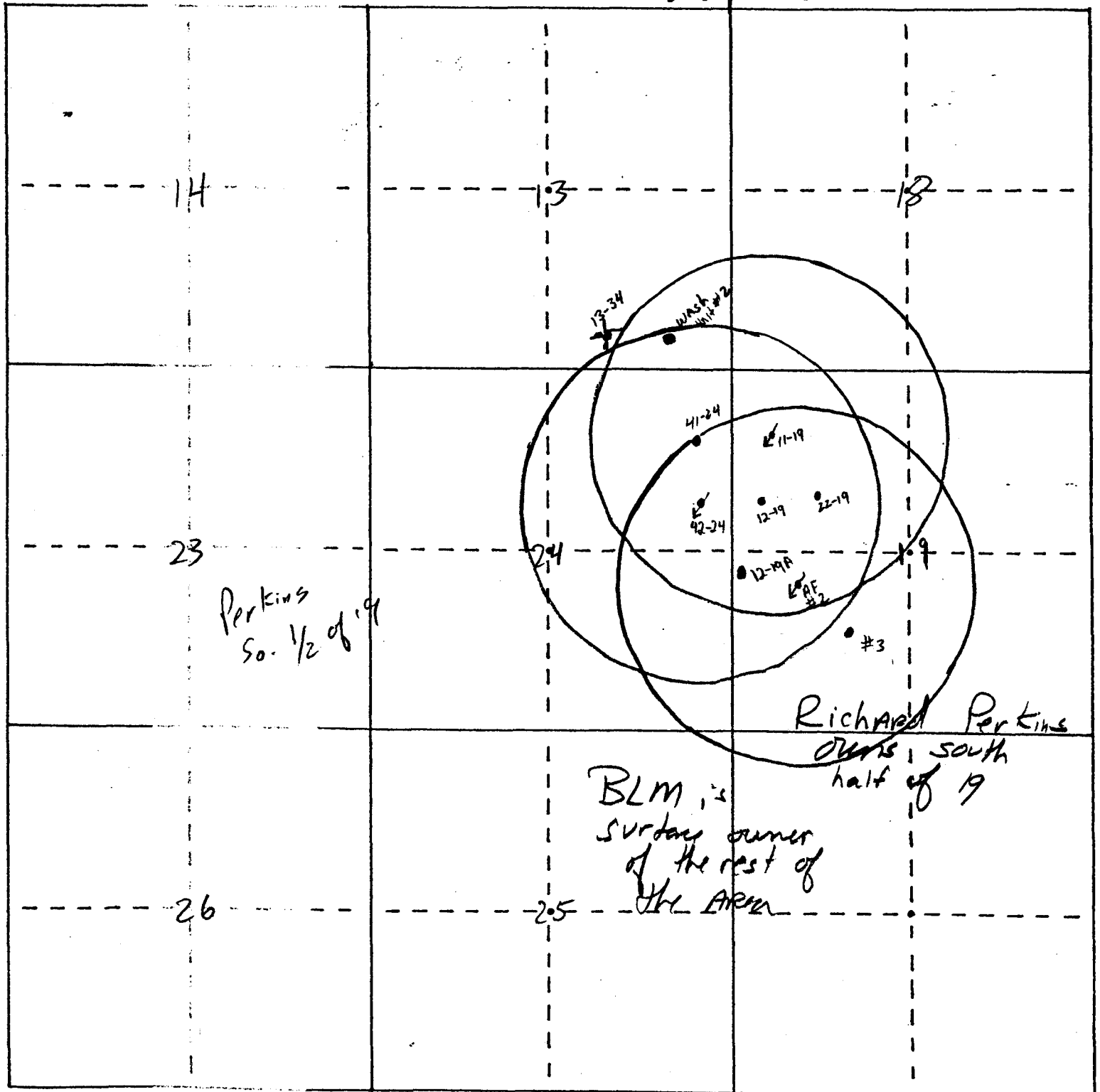
Location

T38S, R23+24E

Sec 19, & 24 San Juan County

23E

24E



UIC CHECKLIST FOR APPLICATION APPROVAL

Free
Federal

OPERATOR Meridian WELL NUMBER Arabian Fed #2
SEC. 19 T. 38S R. 24E COUNTY San Juan
API # 43-037-31282

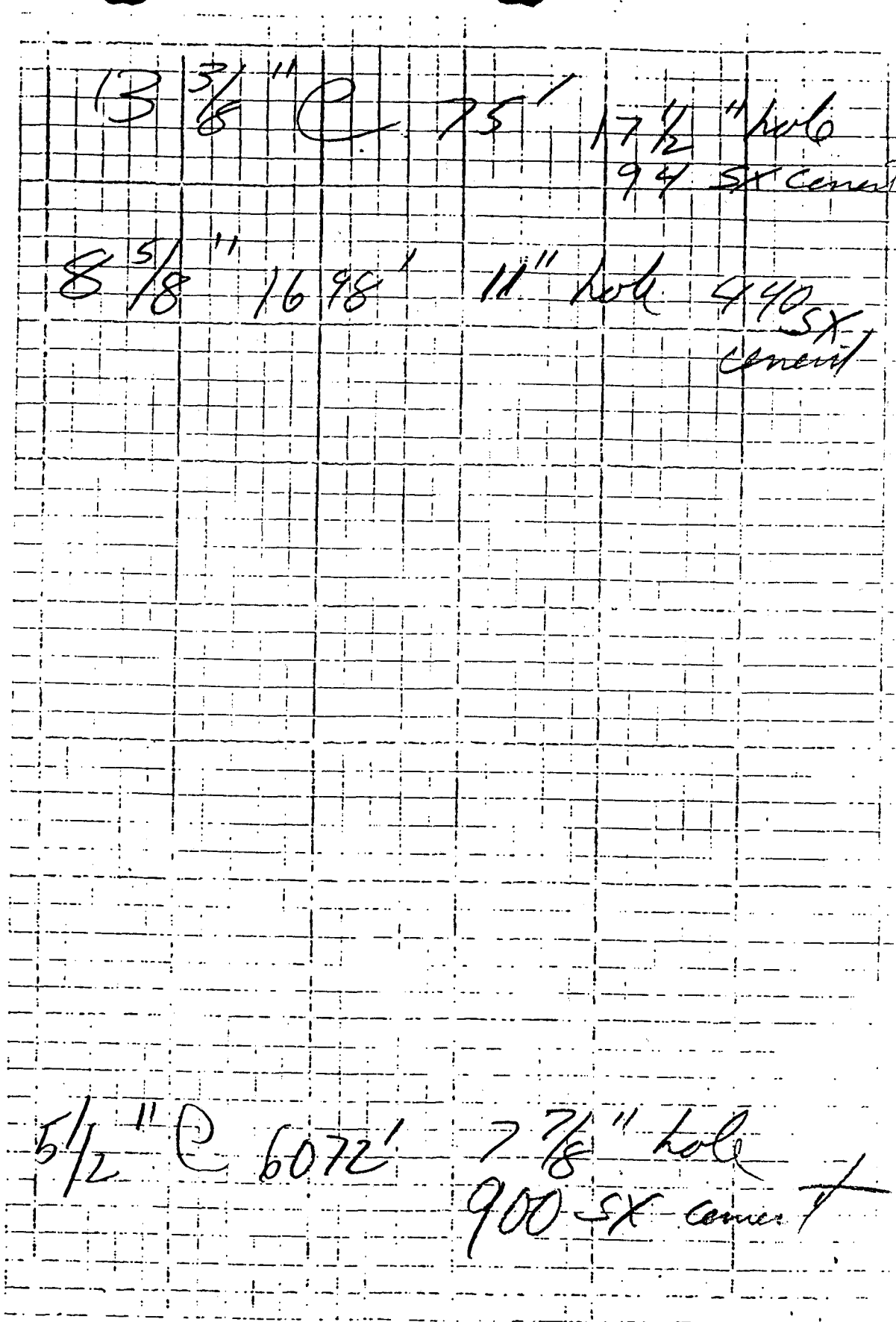
NEW WELL DISPOSAL WELL ENHANCED RECOVERY WELL ✓

| | | |
|----------------------------------|-------------------|------------------|
| - Plat showing surface ownership | Yes <u> </u> | No <u>✓</u> |
| - Application forms complete | Yes <u>✓</u> | No <u> </u> |
| - Schematic of well bore | Yes <u> </u> | No <u>✓</u> |
| - Adequate geologic information | Yes <u>✓</u> | No <u> </u> |
| - Rate and Pressure information | Yes <u>✓</u> | No <u> </u> |
| - Fluid source | Yes <u> </u> | No <u>✓</u> |
| - Analysis of formation fluid | Yes <u> </u> | No <u>✓</u> |
| - Analysis of injection fluid | Yes <u> </u> | No <u>✓</u> |
| - USDW information | Yes <u> </u> | No <u>✓</u> |
| - Mechanical integrity test | Yes <u>✓</u> | No <u> </u> |

Comments: injection interval 5723-5789 Ismay PRDX
rate 2000 pressure 3700 Surface on south
half of 19 is owned by Richard Perkins
2 producers 1 proposed injector in Area of review
2 additional producers and 1 injector to be drilled

Reviewed by D. Jannis 10/17/88

DATE 10/18/88 WELL 22-19 LEASE 38524E FIELD 12119



 BRIDGE PLUG
 
 PACKER
  CENTRALIZER
  SCRATCHER
  BASKET
  PERFORATIO

(Use reverse side for additional remarks & sketches.)

DATE 10/18/88

WELL

ARABIAN #3

LEASE

385

E

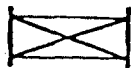
SU 19

FIELD

13 $\frac{3}{8}$ " C 85 17 $\frac{1}{2}$ " hole
125 SXS cement

8 $\frac{5}{8}$ " C 198 12 $\frac{1}{4}$ " hole
1125 SX of cement

5 $\frac{1}{2}$ " C 6082' 7 $\frac{7}{8}$ " hole
375 SX cement



BRIDGE PLUG



PACKER



CENTRALIZER



SCRATCHER



BASKET



PERFORATION

(Use reverse side for additional remarks & sketches.)

MERIDIAN OIL

October 17, 1988

RECEIVED
OCT 19 1988

DIVISION OF
OIL, GAS & MINING

State of Utah
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

Attn: Dan Jarvis

Re: Produced Water Analysis, Kachina Field,
San Juan County, Utah

Dear Mr. Jarvis:

Please find enclosed a copy of the produced water analysis from 4 of the existing producing oil wells in the above referenced field. I am sending these copies in response to your telephone call this morning. If you require additional data, please call me at (406) 256-4030.

Sincerely,



Ron Schuyler
Senior Production Engineer

Enclosure

cc: S.S. Nelson
T.C. Lechner

RES:DRB:23+



ENERGY LABORATORIES, INC.

P.O. BOX 30916 • 1107 SOUTH BROADWAY • BILLINGS, MT 59107-0916 • PHONE (406) 252-6325

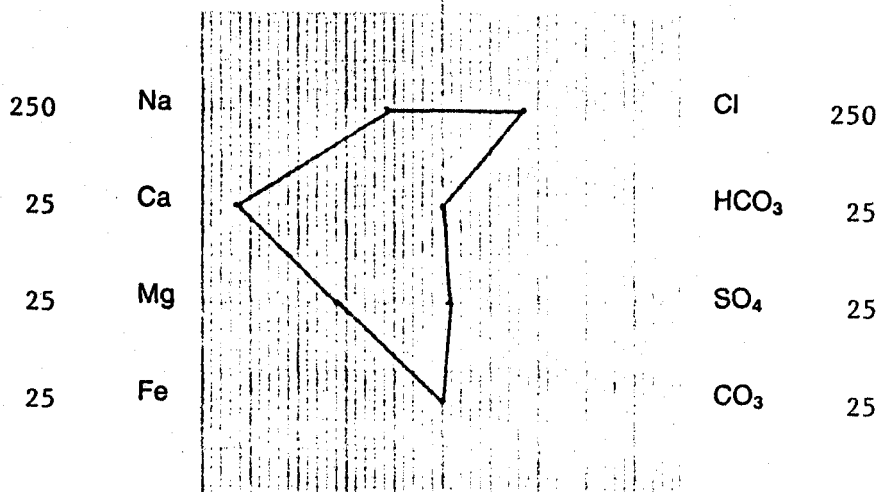
WATER ANALYSIS REPORT

Lab. No. 87-1918

Field Kachina County San Juan State Utah
Well No. Havasus Federal 42-24 Location SE NE Sec. 24-38S-23E
Formation Ismay Depths 5759' - 5849'
Operator Meridian Oil, Inc. Date Sampled _____
DST. No. _____ Sample _____ Date Submitted 2/23/87
Hydrogen Sulfide: Present _____ Absent X Other Data _____ Date Reported 2/26/87
Sample was tan and turbid, with pale yellow filtrate.

| CATIONS | mg/l | meq/l | ANIONS | mg/l | meq/l |
|-----------|-------|-------|-------------|-------|-------|
| Potassium | 1830 | 46.8 | Sulfate | 1040 | 21.6 |
| Sodium | 33600 | 1460 | Chloride | 77200 | 2180 |
| Calcium | 10700 | 534 | Carbonate | 0 | 0 |
| Magnesium | 3460 | 285 | Bicarbonate | 0 | 0 |

WATER ANALYSIS PATTERN
Scale meq/l Per Unit



Total Dissolved Solids, mg/l 128000 Resistivity @ 68°F, ohms/meter³ 0.071
Chloride as NaCl, mg/l 127000 Specific Gravity @ 60/60°F 1.086
pH 3.9 Cation-Anion Balance, % Diff. 2.84

NOTE: Milligrams/liter (mg/l) approximately equivalent to ppm. meq/l = milliequivalents per liter.

REMARKS:

UNICHEM INTERNATIONAL

707 NORTH LEECH

P.O.BOX 1499

HOBBS, NEW MEXICO 88240

COMPANY : MERIDIAN OIL & GAS

DATE : 03-26-87

FIELD, LEASE & WELL : HAVASU

SAMPLING POINT: #42-24; SEPARATOR

DATE SAMPLED : 03-20-87

SPECIFIC GRAVITY = 1.07

TOTAL DISSOLVED SOLIDS = 107146

PH = 4.3

| | | ME/L | MG/L |
|-----------|-------------|-------|--------|
| CATIONS | | | |
| CALCIUM | (CA)+2 | 556 | 11142. |
| MAGNESIUM | (MG)+2 | 232 | 2820. |
| SODIUM | (NA), CALC. | 1134. | 26079. |

| | | ME/L | MG/L |
|-------------|----------|------|-------|
| ANIONS | | | |
| BICARBONATE | (HCO3)-1 | 0 | 0 |
| CARBONATE | (CO3)-2 | 0 | 0 |
| HYDROXIDE | (OH)-1 | 0 | 0 |
| SULFATE | (SO4)-2 | 22.3 | 1075 |
| CHLORIDES | (CL)-1 | 1900 | 66000 |

| | | ME/L | MG/L |
|------------------|-------|---------|------|
| DISSOLVED GASES | | | |
| CARBON DIOXIDE | (CO2) | NOT RUN | |
| HYDROGEN SULFIDE | (H2S) | NOT RUN | |
| OXYGEN | (O2) | NOT RUN | |

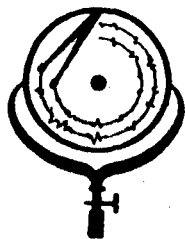
| | | ME/L | MG/L |
|-------------|--------|---------|------|
| IRON(TOTAL) | (FE) | | 303 |
| BARIUM | (BA)+2 | .43 | 29.6 |
| MANGANESE | (MN) | NOT RUN | |

IONIC STRENGTH (MOLAL) = 2.483

SCALING INDEX

TEMP

| | | |
|---------------------------|----------|----------|
| | 30C | 48.8C |
| | 86F | 120F |
| CARBONATE INDEX | -3.4 | -2.9 |
| CALCIUM CARBONATE SCALING | UNLIKELY | UNLIKELY |
| CALCIUM SULFATE INDEX | 1.23 | 1.04 |
| CALCIUM SULFATE SCALING | LIKELY | LIKELY |



Precision Service, Inc.

BOX 3659 Ph. 307/237-9327
CASPER, WYOMING

BOX 1596 Ph. 701/225-6021
DICKINSON, NORTH DAKOTA

WATER ANALYSIS REPORT

OPERATOR Meridian Oil Co. DATE 11/25/86 LAB NO. 3137-5
WELL NO. #41-24 LOCATION _____
FIELD Kiva FORMATION _____
COUNTY San Juan INTERVAL _____
STATE Utah SAMPLE FROM _____

REMARKS & CONCLUSIONS: Yellow brown water, oil on top, Yellow brown filtrate.

| Cations | | | Anions | | |
|-------------------------|---------|---------|----------------------------|--------|---------|
| | mg/l | meq/l | | mg/l | meq/l |
| Sodium . . . (Calc) | 14,274 | 620.90 | Sulfate | 1,164 | 24.21 |
| Potassium | --- | --- | Chloride | 89,180 | 2514.88 |
| Lithium | --- | --- | Carbonate | 0 | -- |
| Calcium | 31,262 | 1559.97 | Bicarbonate | 171 | 2.80 |
| Magnesium | 4,392 | 361.02 | Hydroxide | --- | --- |
| Iron | present | --- | Hydrogen sulfide | --- | --- |
| Total Cations | | 2541.89 | Total Anions | | 2541.89 |

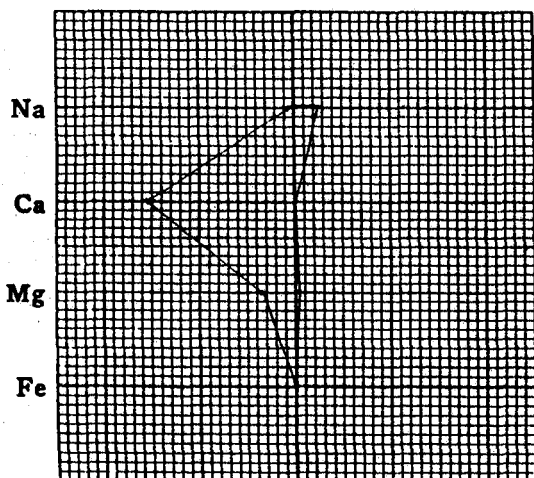
Total dissolved solids, mg/l 140,443
NaCl equivalent, mg/l 142,565
Observed pH 5.80

Specific resistance @ 68°F.:
Observed 0.076 ohm-meters
Calculated 0.069 ohm-meters

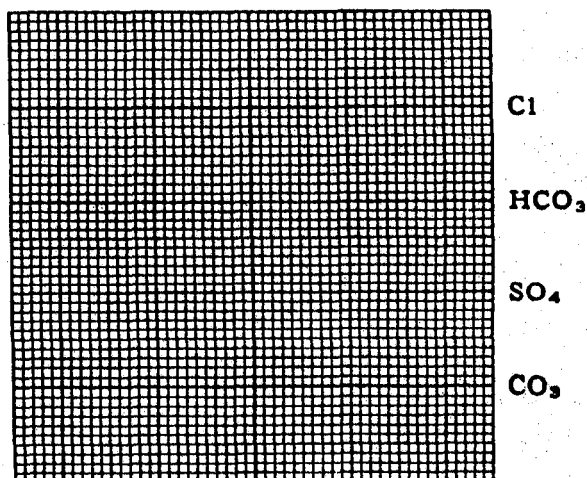
Observed R.W. in error due to Iron & Magnesium content.

WATER ANALYSIS PATTERN

Sample above described
Scale
MEQ per Unit

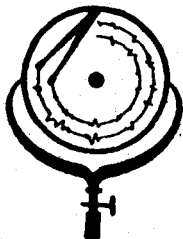


Cl 1000
HCO₃ 100
SO₄ 100
CO₃ 100



(Na value in above graphs includes Na, K, and Li)

NOTE: Mg/l=Milligrams per liter Meq/l= Milligram equivalents per liter
Sodium chloride equivalent=Dunlap & Hawthorne calculation from components



Precision Service, Inc.

BOX 3659 Ph. 307/237-9327
CASPER, WYOMING

BOX 1596 Ph. 701/225-6021
DICKINSON, NORTH DAKOTA

SSM
Well Fitter
WGB DAS
TMS

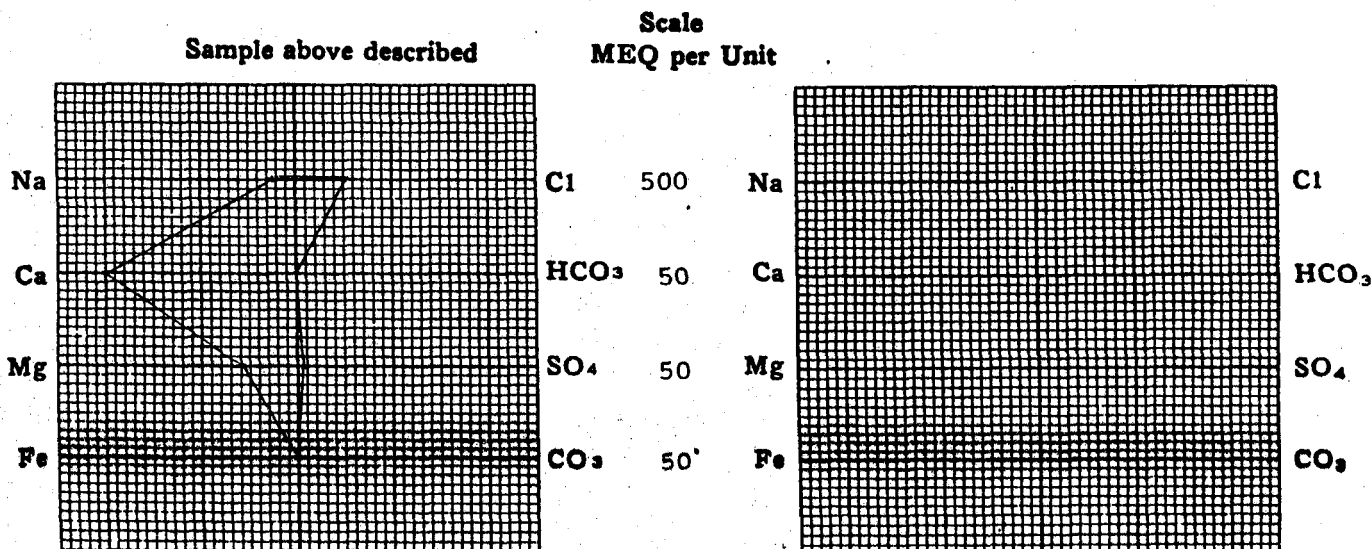
WATER ANALYSIS REPORT

OPERATOR Meridian Oil Co. DATE 11/25/86 LAB NO. 3137-1
WELL NO. #22-19 LOCATION _____
FIELD Kiva FORMATION _____
COUNTY San Juan INTERVAL _____
STATE Utah SAMPLE FROM _____

REMARKS & CONCLUSIONS: Yellow brown water, Light yellow brown filtrate.

| Cations | | | Anions | | |
|--|---------|---------|------------------------------|--------|---------|
| | mg/l | meq/l | | mg/l | meq/l |
| Sodium . . (Calc) | 29,558 | 1285.75 | Sulfate | 1,050 | 21.84 |
| Potassium | -- | -- | Chloride | 90,160 | 2542.51 |
| Lithium | -- | -- | Carbonate | 0 | -- |
| Calcium | 20,040 | 1000.00 | Bicarbonate | 134 | 2.20 |
| Magnesium | 3,416 | 280.80 | Hydroxide | -- | -- |
| Iron | present | -- | Hydrogen sulfide | -- | -- |
| Total Cations | | 2566.55 | Total Anions | | 2566.55 |
| Total dissolved solids, mg/l | | | Specific resistance @ 68°F.: | | |
| NaCl equivalent, mg/l | | | Observed | | |
| Observed pH | | | Calculated | | |
| | | | | | |

WATER ANALYSIS PATTERN



(Na value in above graphs includes Na, K, and Li)
NOTE: Mg/l=Milligrams per liter Meq/l= Milligram equivalents per liter
Sodium chloride equivalent=by Dunlap & Hawthorne calculation from components



Norman H. Bangert
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

October 27, 1988

Newspaper Agency Corporation
Legal Advertising
157 Regent Street
Salt Lake City, Utah 84110

Gentlemen:

Re: Cause No. UIC-114

Enclosed is a Notice Action before the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah.

It is requested that this notice be published ONCE ONLY, as soon as possible, but no later than the 9th day of November, 1988. In the event that said notice cannot be published by this date, please notify me immediately by calling 538-5340.

Upon completion of this request, please send proof of publication and statement of cost to the Division of Oil, Gas and Mining, 355 West North Temple, 3 Triad Center, Suite 350, Salt Lake City Utah 84180-1203

Sincerely,

Barbara Dumas
Office Technician

bd
Enclosure
UI2/6

11-7-98

SRB

Cement Calculations:

Well No. 22-19

$$1. \text{ Vol. between } 5\frac{1}{2}" \text{ csg \& } 7\frac{1}{8}" \text{ hole} = 0.1733 \text{ ft}^3/\text{ft.}$$

Typical slurry volume (assuming Class G w/ 2% bentonite)

$$= 1.34 \text{ ft}^3/\text{sx}$$

$$\text{Cement pumped} = 900 \text{ sx} \times 1.34 \text{ ft}^3/\text{sx}$$

$$= 1,206 \text{ ft}^3$$

$$(50\% \text{ exc.}) \longrightarrow 1,206 \div 1.5 = 804 \text{ ft}^3$$

$$\text{Height of cement column} = 1,206 \div 0.1733$$

$$= 6,959'$$

$$(50\% \text{ exc.}) \longrightarrow 4,639'$$

It is likely that cement top on $5\frac{1}{2}"$ casing overlaps setting depth of $8\frac{5}{8}"$ casing.

$$2. \text{ Vol between } 8\frac{5}{8}" \text{ casing \& } 11" \text{ hole} = 0.2542 \text{ ft}^3/\text{ft.}$$

$$\text{Cement pumped} = 440 \text{ sx} \times 1.34 \text{ ft}^3/\text{sx}$$

$$= 590 \text{ ft}^3$$

$$(50\% \text{ exc.}) \longrightarrow 393 \text{ ft}^3$$

$$\text{Height of cement column} = 590 \div 0.2542$$

$$= 2,321'$$

$$(50\% \text{ exc.}) \longrightarrow 1,546'$$

It is likely that cement top on $8\frac{5}{8}"$ casing is back to surface.

Arabian Fed. Well No. 3

1. Vol. between $5\frac{1}{2}$ " csg. & $7\frac{7}{8}$ " hole = $0.1733 \text{ ft}^3/\text{ft.}$

$$\text{Cement pumped} = 375 \text{ sx} \times 1.34 \text{ ft}^3/\text{sx}$$

$$= 503 \text{ ft}^3$$

(50% exc.) \Rightarrow 335 ft³

$$\text{Height of cement column} = 503 \div 0.1733$$

$$= 2,902'$$

(50% exc.) \Rightarrow 1,933'

The cement top probably exists at a depth of 4,000' - 4,150'.

2. Vol. between $8\frac{5}{8}"$ csg. & $12\frac{1}{4}"$ hole = $0.4127 \text{ ft}^3/\text{ft}$.

Cement pumped = $1125 \text{ sx} \times 1.34 \text{ ft}^3/\text{sx}$

$$= 1508 \text{ ft}^3$$

(50% exc.) $\Rightarrow 1,005 \text{ ft}^3$

Height of cement column = $1508 \div 0.4127$

$$= 3,654'$$

(50% exc.) \Longrightarrow 2,435'

The cement top is at surface.



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

November 23, 1988

Meridian Oil Incorporated
P.O. Box 1855
Billings, Montana 59103

Gentlemen:

RE: Havasut Federal No. 11-19, Arabian Federal No. 2 and Havasu No. 42-24 Wells
Located in Sections 19 and 24, Township 38 South, Range 24 and 23 East,
S.L.M., San Juan County, Utah

In accordance with Rule R615-5-3(3), Oil and Gas Conservation General Rules, administrative approval for the referenced Class II injection wells is granted.

The following actions are necessary to fully comply with this approval:

- 1) Compliance with the UIC requirements for operation, maintenance and reporting for Class II injection wells.
- 2) Conformance with all conditions of the submitted application.

If you have any questions regarding this approval or the necessary requirements, please contact this office.

Best regards,

Dianne R. Nielson
Director

bd

cc: BLM, Moab

UI40/6

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

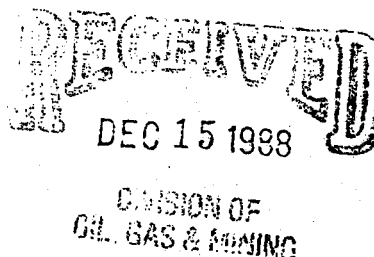
| | | | |
|--|--|--|-------------------|
| 1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input checked="" type="checkbox"/> Water Injection | | 5. LEASE DESIGNATION AND SERIAL NO. U-56186 | |
| 2. NAME OF OPERATOR MERIDIAN OIL INC. | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A | |
| 3. ADDRESS OF OPERATOR P. O. Box 1855, Billings, MT 59103 | | 7. UNIT AGREEMENT NAME Kachina | |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface NWSW (2180' FSL - 950' FWL) | | 8. FARM OR LEASE NAME Arabian Federal | |
| 14. PERMIT NO. 43-037-31282 | | 9. WELL NO. ABO #2 | |
| 15. ELEVATIONS (Show whether DF, RT, GR, etc.) 5082' GL | | 10. FIELD AND POOL, OR WILDCAT Kachina | |
| | | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 19, T38S, R24E | |
| | | 12. COUNTY OR PARISH San Juan | 13. STATE Utah |

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
|--|---|---|--|
| TEST WATER SHUT-OFF <input type="checkbox"/> | PULL OR ALTER CASING <input type="checkbox"/> | WATER SHUT-OFF <input type="checkbox"/> | REPAIRING WELL <input type="checkbox"/> |
| FRACTURE TREAT <input type="checkbox"/> | MULTIPLE COMPLETE <input type="checkbox"/> | FRACTURE TREATMENT <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| SHOOT OR ACIDIZE <input type="checkbox"/> | ABANDON* <input type="checkbox"/> | SHOOTING OR ACIDIZING <input type="checkbox"/> | ABANDONMENT* <input type="checkbox"/> |
| REPAIR WELL <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | (Other) <u>First Water Injection</u> <input checked="" type="checkbox"/> | |
| (Other) <input type="checkbox"/> | | (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) | |

17. DESCRIBE PROMISED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Well started injecting water November 15, 1988.



18. I hereby certify that the foregoing is true and correct

SIGNED [Signature] TITLE Production Superintendent DATE 12/13/88

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

BLM (3), UOG&M (3), WGB, RES, File

*See Instructions on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

| | | | |
|---|--|--|--------------------------|
| 1. <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>Water Injection</u> | | 5. LEASE DESIGNATION AND SERIAL NO. <u>U-56186</u> | |
| 2. NAME OF OPERATOR <u>MERIDIAN OIL INC.</u> | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME <u>N/A</u> | |
| 3. ADDRESS OF OPERATOR <u>P. O. Box 1855, Billings, MT 59103</u> | | 7. UNIT AGREEMENT NAME <u>Kachina</u> | |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface <u>NWSW (2180' FSL - 950' FWL)</u> | | 8. FARM OR LEASE NAME <u>Arabian Federal</u> | |
| 14. PERMIT NO. <u>43-037-31282</u> | | 9. WELL NO. <u>ABO #2</u> | |
| 15. ELEVATIONS (Show whether DF, RT, GR, etc.) <u>5082' GL</u> | | 10. FIELD AND POOL, OR WILDCAT <u>Kachina</u> | |
| | | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA <u>Section 19, T38S, R24E</u> | |
| | | 12. COUNTY OR PARISH <u>San Juan</u> | 13. STATE <u>Utah</u> |

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
|--|---|---|--|
| TEST WATER SHUT-OFF <input type="checkbox"/> | PULL OR ALTER CASING <input type="checkbox"/> | WATER SHUT-OFF <input type="checkbox"/> | REPAIRING WELL <input type="checkbox"/> |
| FRACTURE TREAT <input type="checkbox"/> | MULTIPLE COMPLETS <input type="checkbox"/> | FRACTURE TREATMENT <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| SHOOT OR ACIDIZE <input type="checkbox"/> | ABANDON* <input type="checkbox"/> | SHOOTING OR ACIDIZING <input type="checkbox"/> | ABANDONMENT* <input type="checkbox"/> |
| REPAIR WELL <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | (Other) <u>First Water Injection</u> | (Other) <u>First Water Injection</u> |
| (Other) <input type="checkbox"/> | | (NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) | |

17. DESCRIBE PROMISED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Well started injecting water November 15, 1988.

RECEIVED
DEC 15 1988

DIVISION OF
OIL, GAS & MINING

18. I hereby certify that the foregoing is true and correct

SIGNED [Signature] TITLE Production Superintendent DATE 12/13/88

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

BLM (3), UOG&M (3), WGB, RES, File

*See Instructions on Reverse Side

MERIDIAN OIL

December 15, 1988

RECEIVED
DEC 19 1988

DIVISION OF
OIL, GAS & MINING

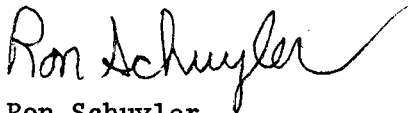
State of Utah
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203
Attention: Dan Jarvis

Re: Water Supply Well Water Analysis
Kachina Waterflood, San Juan County, Utah

Dear Mr. Jarvis:

Please find enclosed a copy of the analysis for make up water to be used in waterflooding the Ismay formation in the Kachina waterflood. As I mentioned in our telephone conversation this afternoon, we have not been able to run the step rate tests on the injection wells due to mechanical problems. As soon as we obtain this data, we will forward it to you. If you have any questions, please contact me at (406) 256-4030.

Sincerely,



Ron Schuyler
Senior Production Engineer

RS/mm/104+

Enclosure

cc: S. S. Nelson
T. C. Lechner

Meridian Company
Havasue Field
WSW Shinerump Formation
Lab No.: 88-593
11/07/88

*Perfs: 2948-2880' and
2866-2850'*

O-TECH
INC

WATER ANALYSIS REPORT

| Cations | mg/L | Anions | mg/L |
|------------|---------|-------------|----------|
| Potassium | ND. | Sulfate | 5,250.0 |
| Sodium | 9,195.0 | Chloride | 12,700.0 |
| Calcium | 992.0 | Carbonate | 0.0 |
| Magnesium | 248.0 | Bicarbonate | 161.0 |
| Total Iron | 0.35 | Hydroxide | ND. |
| Diss. Iron | ND. | Silica | ND. |
| Barium | 0.0 | | |
| Strontium | | | |

System Conditions
System Operation:
Sample Temperature, °F
Sample pH

Normal
ND.
6.3

Total Hardness

3,500.0

Oilfield Chemical Technology

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT-4" for such proposals.)

| | | |
|---|--|--|
| 1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> Water Injection | | 5. LEASE DESIGNATION AND SERIAL NO. U-56186 |
| 2. NAME OF OPERATOR Meridian Oil Inc. | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A |
| 3. ADDRESS OF OPERATOR P.O. Box 1855, Billings, MT 59103 | | 7. UNIT AGREEMENT NAME Kachina |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface NWSW (2180' FSL - 950' FWL) | | 8. FARM OR LEASE NAME Arabian Federal |
| 14. PERMIT NO. 43-037-31282 | | 9. WELL NO. 2 |
| 15. ELEVATIONS (Show whether DP, RT, OR, etc.) 5082' GL | | 10. FIELD AND POOL, OR WILDCAT Kachina |
| | | 11. SEC., T., R., M., OR BLM, AND SURVEY OR AREA Section 19-38S-24E |
| | | 12. COUNTY OR PARISH San Juan |
| | | 13. STATE Utah |

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
|--|---|---|--|
| TEST WATER SHUT-OFF <input type="checkbox"/> | PULL OR ALTER CASING <input type="checkbox"/> | WATER SHUT-OFF <input type="checkbox"/> | REPAIRING WELL <input type="checkbox"/> |
| FRACTURE TREAT <input type="checkbox"/> | MULTIPLE COMPLETE <input type="checkbox"/> | FRACTURE TREATMENT <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| SHOOT OR ACIDIZE <input type="checkbox"/> | ABANDON* <input type="checkbox"/> | SHOOTING OR ACIDIZING <input type="checkbox"/> | ABANDONMENT* <input type="checkbox"/> |
| REPAIR WELL <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | (Other) Conversion to Wtr Inj Well <input checked="" type="checkbox"/> | |
| (Other) <input type="checkbox"/> | | (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) | |

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.) *

POH w/pump and rods, ran 2-7/8" tbg set @ 5662', pkr set @ 5663'. Currently injecting into original Ismay formation perms, 5723'-5789', avg of 3460 BWPD @ 625 psi.

18. I hereby certify that the foregoing is true and correct

| | | |
|--|-----------------------|---------------------|
| SIGNED <u>W. L. Brannen</u> | TITLE <u>Engineer</u> | DATE <u>2-14-89</u> |
| (This space for Federal or State office use) | | |
| APPROVED BY _____ | TITLE _____ | DATE _____ |
| CONDITIONS OF APPROVAL, IF ANY: | | |

*See Instructions on Reverse Side



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

August 11, 1992

Meridian Oil Inc.
5613 DTC Parkway
Englewood, Colorado 80111

Gentlemen:

Re: Pressure Test for Mechanical Integrity, Class II Injection Wells in the Kiva and Kachina Units, San Juan County, Utah

The Underground Injection Control Program which the Division of Oil, Gas and Mining (DOGM) administers in Utah, requires that all Class II injection wells demonstrate mechanical integrity. It has been past policy of the Division to require pressure testing of all Class II salt water disposal wells and other injection wells not reporting monthly annulus pressures in accordance with rule R649-5-5.3 of the Oil and Gas Conservation General Rules. This rule requires that the casing-tubing annulus above the packer be pressure tested at a pressure equal to the maximum authorized injection pressure or 1,000 psi, whichever is lesser, provided that no test pressure is less than 300 psi. This test shall be performed at least every five year period beginning October, 1982. Our records indicate the above referenced wells are due for testing for the second five year period. Attached is a list of wells which need to be tested according to our records. Please make arrangements and ready the wells for testing during the week of September 21, 1992 as outlined below:

1. Operator must furnish connections, and accurate pressure gauges, hot oil truck (or other means of pressuring annulus), as well as personnel to assist in opening valves etc.
2. The casing-tubing annulus shall be filled prior to the test date to expedite testing, as each well will be required to hold pressure for a minimum of 15 minutes.
3. If mechanical difficulties or workover operations make it impossible for the wells to be tested on this date the tests may be rescheduled.

4. Company personnel should meet DOGM representatives at the field office or other location as negotiated.
5. All bradenhead valves with exception of the tubing on the injection wells must be shut in 24 hours prior to testing.

Please contact Mr. Dan Jarvis at (801)538-5340 to arrange a meeting time and place or negotiate a different date if this one is unacceptable.

Sincerely,



Gil Hunt
UIC Program Manager

Idc
Attachment
WOI52

WELLS TO BE TESTED

Kiva Unit

#14-4
21-9
23-4
12-4

Kachina Unit

#11-19
42-24
2

Utah Division of Oil, Gas, and Mining
Casing - ~~Bradenhead~~ Test
Pressure

Operator: MERIDIAN OIL COMPANY Field/Unit: KACHINA
Well: ARABIAN FED. #2 Township: 38S Range: 24E Sect: 19
API: 43-037-31282 Welltype: INJW Max Pressure: 3700
Lease type: FEDERAL Surface Owner: BLM

Test Date: 9/23/42
11/13

| CASING STRING | SIZE | SET AT | PRESSURE | OBSERVATIONS |
|---------------|------|--------|----------|--------------|
|---------------|------|--------|----------|--------------|

| | | | | |
|----------|-------|----|--|--|
| Surface: | 133/8 | 81 | | |
|----------|-------|----|--|--|

| | | | | |
|---------------|-------|------|--|--|
| Intermediate: | 8 5/8 | 1125 | | |
|---------------|-------|------|--|--|

| | | | | |
|-------------|-------|------|--|--|
| Production: | 5 1/2 | 6095 | | |
|-------------|-------|------|--|--|

| | | | | |
|--------|--|---|--|--|
| Other: | | 0 | | |
|--------|--|---|--|--|

| | | | | |
|---------|-------|--|----------|--|
| Tubing: | 2 7/8 | | 2350 psi | |
|---------|-------|--|----------|--|

| | | | | |
|---------|--|---|--|--|
| Packer: | | 0 | | |
|---------|--|---|--|--|

Recommendations:

Gil Hunt
Dan Jarvis > Dagm
Bob Vielpando - Meridian

Pressured to 1000 PSI
held 15 min no press loss
Passed MIT

D. Jones

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
MOAB DISTRICT OFFICE

93 MAR -5 AM 8:22

SUBMIT IN TRIPLICATE
FORM APPROVED
Budget Bureau No. 1004-0135
Expires September 30, 1990

5. Lease Designation and Serial No.

UTU56186

MAR 17 1993

SUNDRY NOTICES AND REPORTS ON WELL

Do not use this form for proposals to drill or to deepen or re-entry to a different reservoir. Use "Application for Permit" for such proposals.

Indian, Allottee or Tribe Name
N/A

DIVISION OF
OIL GAS & MINING

1. Type of Well
Oil Gas Other Water Injection

7. If Unit or CA, Agreement Designation

2. Name of Operator
Meridian Oil Inc.

8. Well Name and No.
ARABIAN FEDERAL #2

3. Address and Telephone No.
5613 DTC Parkway, Englewood, CO 80111 (303) 930-9300

9. API Well No.
43-037-31282

4. Location of Well (Footage, Sec., T.R.M. or Survey Description)

10. Field and Pool, Exploratory Area
Kachina

NWSW. 2180' FSL & 950' FWL
Sec. 19, T38S-R24E

11. County or Parish, State
San Juan, Utah

12. CHECK APPROPRIATE BOX (S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent

☐ Abandonment

☐ Change of Plans

☐ Recompletion

☐ New Construction

☒ Subsequent Report

☐ Plugging Back

☐ Non-Routine Fracturing

☐ Casing Repair

☐ Water Shut-Off

☐ Final Abandonment

☐ Altering Casing

☐ Conversion to Injection

☒ Other Install plastic liner

(Note: Report results of multiple completion on
Well Completion or Recompletion Report and Log form.)

13. Described Proposed or Completed Operations (Clearly state all pertinent details and give pertinent dates including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Work performed 10/7/92 to 10/18/92.

Install plastic liner in injection line to facilitate increased injection rates and pressures.

14. I hereby certify that the foregoing is true and correct.

Signed Karen F. Riley Title Sr. Production Engineer Date February 12, 1993

(This space for Federal or State office use)

Approved By ACCEPTED Title Branch of Fluid Minerals Date MAR 8 1993

Condition of Approval, If any:

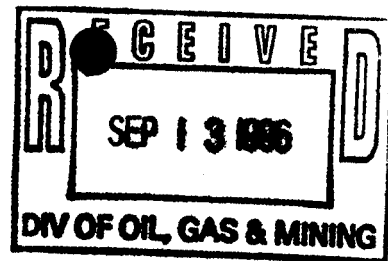
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statement or representations as to any matter within its jurisdiction.

SUBMIT IN TRIPLICATE

STATE OF UTAH
INVENTORY OF INJECTION WELLS

| OPERATOR | API NO. | WELL | TNS | RGE | SE | WELLTYPE | INDIAN COUNT |
|----------------|--------------|---------------|-----|-----|----|----------|--------------|
| ***** | ***** | ***** | *** | *** | ** | ***** | ***** |
| EQUITABLE RE | 43-013-31370 | FEDERAL 13-5 | 09S | 17E | 5 | INJW | Y |
| EQUITABLE RE | 43-013-31195 | ALLEN FEDERA | 09S | 17E | 6 | INJW | N |
| EQUITABLE RE | 43-013-31492 | 11-7J | 09S | 17E | 7 | INJW | Y |
| EQUITABLE RE | 43-013-31405 | 31-7J | 09S | 17E | 7 | INJW | Y |
| EQUITABLE RE | 43-047-20252 | E. RED WASH | 08S | 25E | 5 | INJW | N |
| EQUITABLE RE | 43-047-20261 | ERW 4-6 | 08S | 25E | 6 | INJW | Y |
| EQUITABLE RE | 43-047-32346 | 42-6X | 08S | 25E | 6 | INJW | N |
| EQUITABLE RE | 43-047-20245 | AMERADA GUIN | 08S | 25E | 7 | INJW | Y |
| GERRITY OIL | 43-047-30566 | FEDERAL 14-1 | 09S | 24E | 10 | INJD | Y |
| GIANT EXPLOR | 43-037-15042 | GOTHIC MESA | 41S | 23E | 16 | INJD | Y |
| GIANT EXPLOR | 43-037-31095 | CAVE CANYON | 38S | 24E | 3 | INJW | N |
| GIANT EXPLOR | 43-037-20292 | SENTINEL PEA | 41S | 26E | 27 | INJD | Y |
| GIANT EXPLOR | 43-037-16452 | 9-24 | 41S | 23E | 9 | INJI | Y |
| HAY HOT OIL | 43-037-30521 | MCCRACKEN PT | 40S | 23E | 19 | INSD | N |
| HAY HOT OIL | 43-037-30575 | FED. 23-32 | 40S | 22E | 23 | INJI | N |
| HELD BY PROD | 43-013-15122 | UTE #1-A | 03S | 06W | 18 | INJD | Y |
| INLAND PRODU | 43-013-30843 | MONUMENT BUT | 08S | 16E | 34 | INJW | Y |
| INLAND PRODU | 43-013-30693 | FEDERAL 3-33 | 08S | 16E | 33 | INJW | N |
| INLAND PRODU | 43-013-30686 | FEDERAL 5-35 | 08S | 16E | 35 | INJW | N |
| INLAND PRODU | 43-013-30745 | MONUMENT BUT | 08S | 16E | 35 | INJW | N |
| INLAND PRODU | 43-013-30608 | MONUMENT BUT | 08S | 16E | 35 | INJW | N |
| INLAND PRODU | 43-013-30606 | MONUMENT BUT | 08S | 16E | 35 | INJW | N |
| INLAND PRODU | 43-013-31264 | MONUMENT FED | 08S | 16E | 35 | INJW | N |
| INLAND PRODU | 43-013-30605 | MONUMENT BUT | 08S | 16E | 35 | INJW | N |
| INLAND PRODU | 43-013-30624 | STATE 5-36 | 08S | 16E | 36 | INJW | N |
| INLAND PRODU | 43-013-30592 | STATE 1-36 | 08S | 16E | 36 | INJW | N |
| INLAND PRODU | 43-013-30787 | 12-32 | 08S | 17E | 32 | INJW | Y |
| INLAND PRODU | 43-013-31372 | 14A-28 | 08S | 16E | 28 | INJW | N |
| INLAND PRODU | 43-013-30779 | FED 15-28 | 08S | 16E | 28 | INJW | N |
| INLAND PRODU | 43-013-31523 | GILSONITE 14 | 08S | 17E | 32 | INJW | Y |
| INLAND PRODU | 43-013-31403 | GILSONITE ST | 08S | 17E | 32 | INJW | Y |
| INLAND PRODU | 43-013-30658 | GILSONITE 7- | 08S | 17E | 32 | INJW | Y |
| JN EXPLORATI | 43-043-30223 | LOGAN FEDERA | 03N | 07E | 26 | INJD | N |
| MEDALLION EX | 43-013-30372 | ALTAMONT SWD | 03S | 06W | 24 | INJD | Y |
| ✓ MERIDIAN OIL | 43-037-31112 | NAV FED 4-1 | 39S | 25E | 4 | INJW | N |
| ✓ MERIDIAN OIL | 43-037-31321 | 14-4 NAV.FED | 39S | 25E | 4 | INJW | N |
| ✓ MERIDIAN OIL | 43-037-31395 | NAVAJO FEDER | 39S | 25E | 4 | INJW | N |
| ✓ MERIDIAN OIL | 43-037-31259 | FEDERAL 23-4 | 39S | 25E | 4 | INJW | N |
| ✓ MERIDIAN OIL | 43-037-31267 | 21-9 NAV.FED | 39S | 25E | 9 | INJW | N |
| ✓ MERIDIAN OIL | 43-037-31298 | HAVASU FED. | 38S | 23E | 24 | INJW | N |
| ✓ MERIDIAN OIL | 43-037-31282 | ARABIAN FED. | 38S | 24E | 19 | INJW | N |
| ✓ MERIDIAN OIL | 43-037-31458 | HAVASU FED. | 38S | 24E | 19 | INJW | N |
| MISSION OIL | 43-013-31202 | UTE 25-6 | 05S | 04W | 25 | INJI | Y |
| MOBIL EXPLOR | 43-037-16350 | H-11 | 40S | 24E | 36 | INJW | Y |
| MOBIL EXPLOR | 43-037-15617 | F-11 | 40S | 24E | 36 | INJW | Y |
| MOBIL EXPLOR | 43-037-15618 | G-12 | 40S | 24E | 36 | INJI | Y |
| MOBIL EXPLOR | 43-037-15619 | I-12 | 40S | 24E | 36 | INJW | Y |
| MOBIL EXPLOR | 43-037-16377 | T-8 | 40S | 25E | 28 | INJW | Y |
| MOBIL EXPLOR | 43-037-16366 | P-7 | 40S | 25E | 29 | INJW | Y |
| MOBIL EXPLOR | 43-037-16362 | N-7 | 40S | 25E | 29 | INJW | Y |
| MOBIL EXPLOR | 43-037-16359 | L-9 | 40S | 25E | 31 | INJW | Y |
| MOBIL EXPLOR | 43-037-16354 | J-11 | 40S | 25E | 31 | INJW | Y |
| MOBIL EXPLOR | 43-037-15958 | L-11 | 40S | 25E | 31 | INJW | Y |
| ✓ MERIDIAN OIL | 43-037-31317 | NAV.FED. 43-5 | 39S | 25E | 4 | INJW | N |

MERIDIAN OIL



September 10, 1996

State of Utah
Division of Oil, Gas and Mining
355-1594 West North Temple
Salt Lake City, UT 84180

Re: Name Change from Meridian Oil Inc. to
Burlington Resources Oil & Gas Co.

Gentlemen:

Please be advised effective July 11, 1996 Meridian Oil Inc. changed their name and address to:

Burlington Resources Oil & Gas Co.
3300 North "A" St., Bldg. 6
Midland, TX 79710-1810

Please see the attached list of wells that Burlington Resources operates in the State of Utah. If you should have any questions, please contact me at (303) 930-9393 or after September 30th at (915) 688-6800.

Sincerely,

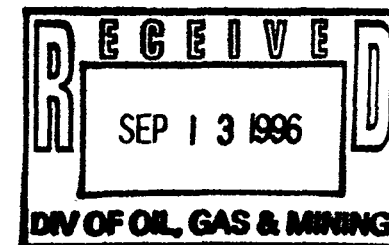
BURLINGTON RESOURCES OIL & GAS CO.

A handwritten signature in cursive script, appearing to read "Eileen Danni Dey".

Eileen Danni Dey
Senior Regulatory Compliance Representative

Enclosure

| FIELD | WELL NAME | WELL NO | FORMATION/POOL | COUNTY | OCATIO | SEC | TWN | RGE | API NUMBER | FEDERAL LEASE NUMBER | STATE CONTROL NO. |
|---------------------|-------------------------|---------|----------------|----------|--------|-----|------|------|----------------|-------------------------|-------------------------|
| BANNOCK | BANNOCK FEDERAL | 21-33 | ISMAY | SAN JUAN | NENW | 33 | 038S | 024E | 43-037-3142500 | UTU60786A | 10923 |
| CEDAR MOUNTAIN | EAST CANYON UNIT | 33-18 | CEDAR MOUNTAIN | GRAND | NWSE | 18 | 016S | 025E | 43-019-1620300 | UTU05059 | 9515 |
| EAST MOUNTAIN | EAST MOUNTAIN FEDERAL | 13-35 | FERRON | EMERY | NWSW | 35 | 016S | 006E | 43-015-3023000 | 57287U6920 | 10789 |
| EAST MOUNTAIN | EAST MOUNTAIN FEDERAL | 32-23 | FERRON | EMERY | SWNE | 23 | 016S | 006E | 43-015-3023100 | 57287U6920 | 11075 |
| FERRON | INDIAN CREEK UNIT | 1 | FERRON | EMERY | SWNW | 02 | 017S | 006E | 43-015-3008200 | 57287U6920 | 02585 |
| FERRON | INDIAN CREEK UNIT | 3 | FERRON | EMERY | SWSW | 02 | 017S | 006E | 43-015-3107500 | 57287U6920 30175 | 02585 |
| FERRON | INDIAN CREEK UNIT 10176 | 5 | FERRON | EMERY | SENE | 10 | 017S | 006E | 43-015-3011700 | 57287U6920 | 02585 |
| FERRON | INDIAN CREEK UNIT 14176 | 2 | FERRON | EMERY | SWNE | 14 | 017S | 006E | 43-015-3009100 | UTU15202 | 10907 |
| KACHINA | ARABIAN FEDERAL (WIW) | 2 | ISMAY | SAN JUAN | NWSW | 19 | 038S | 024E | 43-037-3128200 | UTU56186 | 10654 |
| KACHINA | ARABIAN FEDERAL | 3 | ISMAY | SAN JUAN | NESW | 19 | 038S | 024E | 43-037-3128700 | UTU56186 | 10654 |
| KACHINA | HAVASU FEDERAL (WIW) | 11-19 | UPPER ISMAY | SAN JUAN | NWNW | 19 | 038S | 024E | 43-037-3145800 | UTU56186 | 10654 |
| KACHINA | HAVASU FEDERAL | 12-19 | UPPER ISMAY | SAN JUAN | SWNW | 19 | 038S | 024E | 43-037-3145700 | UTU56186 | 10654 |
| KACHINA | HAVASU FEDERAL | 12-19A | ISMAY | SAN JUAN | SWNW | 19 | 038S | 024E | 43-037-3145900 | UTU56186 | 10654 |
| KACHINA | HAVASU FEDERAL | 22-19 | UPPER ISMAY | SAN JUAN | SENE | 19 | 038S | 024E | 43-037-3127800 | UTU56186 | 10654 |
| KACHINA | HAVASU FEDERAL | 41-24 | UPPER ISMAY | SAN JUAN | NENE | 24 | 038S | 023E | 43-037-3127900 | UTU20895 | 10654 |
| KACHINA | HAVASU FEDERAL (WIW) | 42-24 | UPPER ISMAY | SAN JUAN | SENE | 24 | 038S | 023E | 43-037-3129800 | UTU20895 | 10654 |
| KACHINA | WASH UNIT (WSEW) | 2 | CUTLER | SAN JUAN | SESE | 13 | 038S | 023E | 43-037-3132400 | UTU20894 | 10654 |
| KIVA (DESERT CREEK) | NAVAJO FEDERAL | 41-5 | DESERT CREEK | SAN JUAN | NENE | 05 | 039S | 025E | 43-037-3542100 | UTU57895 31358 | 10810 |
| KIVA (UPPER ISMAY) | KIVA FEDERAL | 24-4 | ISMAY | SAN JUAN | SESW | 04 | 039S | 025E | 43-037-3174500 | 83687U6890 | 09975 |
| KIVA (UPPER ISMAY) | NAVAJO FEDERAL (WIW) | 12-4 | ISMAY | SAN JUAN | SWNW | 04 | 039S | 025E | 43-037-3139500 | 83687U6890 | 09975 |
| KIVA (UPPER ISMAY) | NAVAJO FEDERAL (WIW) | 14-4 | ISMAY | SAN JUAN | SWSW | 04 | 039S | 025E | 43-037-3132100 | 83687U6890 | 09975 |
| KIVA (UPPER ISMAY) | NAVAJO FEDERAL (WIW) | 21-9 | ISMAY | SAN JUAN | NENW | 09 | 039S | 025E | 43-037-3126700 | 83687U6890 | 09975 |
| KIVA (UPPER ISMAY) | NAVAJO FEDERAL (WIW) | 23-4 | UPPER ISMAY | SAN JUAN | NESW | 04 | 039S | 025E | 43-037-3125900 | 83687U6890 | 09975 |
| KIVA (UPPER ISMAY) | NAVAJO FEDERAL | 4-2 | ISMAY | SAN JUAN | SWSE | 04 | 039S | 025E | 43-037-3116100 | 83687U6890 | 09975 |
| KIVA (UPPER ISMAY) | NAVAJO FEDERAL | 4-4 | ISMAY | SAN JUAN | NWSW | 04 | 039S | 025E | 43-037-3117900 | 83687U6890 | 09975 |
| KIVA (UPPER ISMAY) | NAVAJO FEDERAL | 42-5 | UPPER ISMAY | SAN JUAN | SENE | 05 | 039S | 025E | 43-037-3126100 | 83687U6890 | 10655 |
| KIVA (UPPER ISMAY) | NAVAJO FEDERAL (WSEW) | 42-9 | WINGATE/CUTLER | SAN JUAN | SENE | 09 | 039S | 025E | 43-037-3126300 | 83687U6890 | 09975 |
| KIVA (UPPER ISMAY) | NAVAJO FEDERAL | 9-1 | UPPER ISMAY | SAN JUAN | NWNE | 09 | 039S | 025E | 43-037-3100100 | 83687U6890 | 09975 |
| KIVA (UPPER ISMAY) | NAVAJO FEDERAL (WIW) | 4-1 | ISMAY | SAN JUAN | SESW | 04 | 039S | 025E | 43-037-3111200 | 83687U6890 | 09975 |
| KIVA (UPPER ISMAY) | NAVAJO FEDERAL (WIW) | 43-5 | ISMAY | SAN JUAN | NWSW | 05 | 039S | 025E | 43-037-3131700 | 83687U6890 | 09975 |
| AN MESA | HATCH POINT FEDERAL | 27-1A | CANE CREEK | SAN JUAN | NESW | 27 | 027S | 021E | 43-037-3051800 | 8910184250 | 02815 |

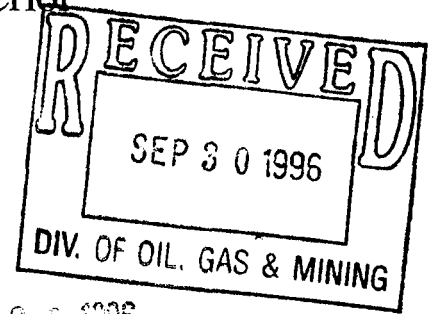




United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155



In Reply Refer To
3100
SL-071010C
(UT-932)

SEP 26 1996

NOTICE

| | | |
|--|---|-------------|
| Burlington Resources Oil & Gas Company | : | Oil and Gas |
| 801 Cherry Street, Suite 900 | : | SL-071010C |
| Fort Worth, Texas 76102 | : | |

Corporate Name Change Recognized

Acceptable evidence has been filed in this office concerning the corporate name change from Meridian Oil Inc. to Burlington Resources Oil & Gas Company.

For our purposes, the name change is recognized effective July 12, 1996, the date the Secretary of State of Delaware certified the name change.

The oil and gas lease files identified on the enclosed exhibit have been noted as to the name change. We are notifying the Minerals Management Service and all applicable Bureau of Land Management offices of the change by a copy of this notice. If additional documentation for changes of operator are required by our field offices, you will be contacted by them.

A rider to Bond No. 400IA9059 (BLM Bond No. MT0719) has been accepted by the Montana State office as of September 16, 1996, its date of receipt. The rider changed the name on the bond from Meridian Oil Inc. to Burlington Resources Oil & Gas Company.

ROBERT LOPEZ

Robert Lopez
Group Leader,
Minerals Adjudication Group

Enclosure

Exhibit (1 p)

cc: MMS, Data Management Division, P.O. Box 5860, MS 3113, Denver, Colorado 80217
Moab District Office
Vernal District Office

bc: State of Utah, ATTN: Lisha Cordova, Division of Oil, Gas and Mining, P.O. Box 145801,
Salt Lake City, Utah 84114-5801
Teresa Thompson (UT-931)
Irene Anderson (UT-932)

Exhibit of Leases Affected

| | | | |
|------------|-------------------------|-------------------------------|-----------------|
| SL-071010C | U-8894A | U-40751 | U-61752 |
| SL-071595 | U-8895A | U-45051 | U-62143 |
| U-0681 | U-8897A | U-45929 | U-62190 |
| U-0683 | U-15202 | U-46825 | U-63181 |
| U-0684 | U-15203 | U-51045 | UTU-64930 |
| U-0685 | U-15204 | U-51046 | UTU-64931 |
| U-0719 | U-16962A | U-51047 | UTU-65329 |
| U-0725 | U-17024 | U-52333 | UTU-65607 |
| U-0737 | U-17623 | U-56186 | UTU-65750 |
| U-0741 | U-19281 | U-56932 | UTU-65751 |
| U-0744 | U-20016 | U-56933 | UTU-65868 (ROW) |
| U-03333 | U-20895 | U-56934 | UTU-65940 |
| U-04049 | U-24606 | U-57895 | UTU-65943 |
| U-04049A | U-39832 | U-58728 | UTU-66025 |
| U-05059 | U-40361 | U-60428 | UTU-66487 |
| U-08107 | U-40440 | U-60520 | UTU-66584 |
| U-062420 | U-40544 (ROW) | U-61556 | UTU-66708 |
| UTU-66830 | UTU-66831 | UTU-67565 | UTU-67568 |
| UTU-67569 | UTU-67570 | UTU-68232 | UTU-68664 |
| UTU-68676 | UTU-69434 | UTU-70115 (ROW) | UTU-70196 |
| UTU-72660 | U-60786X (Bannock Unit) | U-63089X (East Mountain Unit) | |

OPERATOR CHANGE WORKSHEET

Routing:

| | |
|-------|--------|
| 1-EC | 6-EC |
| 2-GLT | 7-KDR |
| 3-DTS | 8-SJ |
| 4-VLD | 9-FILE |
| 5-RJF | |

Attach all documentation received by the division regarding this change.

Initial each listed item when completed. Write N/A if item is not applicable.

☒ Change of Operator (~~well sold~~)☐ Designation of Agent☐ Designation of Operator☒ Operator Name Change ~~Only~~The operator of the well(s) listed below has changed, effective: 7-11-96TO: (new operator) BURLINGTON RESOURCES O&G CO.(address) 3300 N "A" ST BLDG 6MIDLAND TX 79710-1810EILEEN DANNI DEYPhone: (915) 688-6800Account no. N7670FROM: (old operator) MERIDIAN OIL INC(address) PO BOX 3209ENGLEWOOD CO 80155-3209EILEEN DANNI DEYPhone: (303) 930-9393Account no. N7230

WELL(S) attach additional page if needed:

***KACHINA, KIVA, EAST MOUNTAIN, BANNOCK UNIT'S**

| | | | | | | |
|-------------------------------|------------|---------------|---------|---------|---------|--------------|
| Name: **SEE ATTACHED** | API: _____ | Entity: _____ | S _____ | T _____ | R _____ | Lease: _____ |
| Name: _____ | API: _____ | Entity: _____ | S _____ | T _____ | R _____ | Lease: _____ |
| Name: _____ | API: _____ | Entity: _____ | S _____ | T _____ | R _____ | Lease: _____ |
| Name: _____ | API: _____ | Entity: _____ | S _____ | T _____ | R _____ | Lease: _____ |
| Name: _____ | API: _____ | Entity: _____ | S _____ | T _____ | R _____ | Lease: _____ |
| Name: _____ | API: _____ | Entity: _____ | S _____ | T _____ | R _____ | Lease: _____ |
| Name: _____ | API: _____ | Entity: _____ | S _____ | T _____ | R _____ | Lease: _____ |

OPERATOR CHANGE DOCUMENTATION

- 1 1. (r649-8-10) Sundry or other legal documentation has been received from the **FORMER** operator (attach to this form). *(Rec'd 9-13-96)*
- 2 2. (r649-8-10) Sundry or other legal documentation has been received from the **NEW** operator (Attach to this form). *(Rec'd 9-13-96)*
- 3 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is the company registered with the state? (yes/no) ____ If yes, show company file number: #096593. *(E.H. 1-29-87)*
- 4 4. **FOR INDIAN AND FEDERAL WELLS ONLY.** The BLM has been contacted regarding this change. Make note of BLM status in comments section of this form. BLM approval of Federal and Indian well operator changes should ordinarily take place prior to the division's approval, and before the completion of steps 5 through 9 below.
- 5 5. Changes have been entered in the Oil and Gas Information System (3270) for each well listed above. *(E. W.C. Program 10-3-96)*
- 6 6. Cardex file has been updated for each well listed above. *(10-3-96)*
- 7 7. Well file labels have been updated for each well listed above. *(10-3-96)*
- 8 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to Trust Lands, Sovereign Lands, UGS, Tax Commission, etc. *(10-3-96)*
- 9 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- See 1. (r649-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) no If entity assignments were changed, attach copies of Form 6, Entity Action Form.
- N/A 2. Trust Lands, Sovereign Lands, Tax Commission, etc., have been notified through normal procedures of entity changes.

BOND VERIFICATION - (~~FEE WELLS ONLY~~) #961002 "Rider" 80,000 to Burlington held by Trust Lands Admin.

- See 1. (r649-3-1) The NEW operator of any ~~fee~~ lease well listed above has furnished a proper bond.
- N/A 2. A copy of this form has been placed in the new and former operator's bond files.
- N/A 3. The FORMER operator has requested a release of liability from their bond (yes/no) _____, as of today's date _____. If yes, division response was made to this request by letter dated _____.

LEASE INTEREST OWNER NOTIFICATION OF RESPONSIBILITY

- N/A 1. Copies of documents have been sent on _____ to _____ at Trust Lands for changes involving State leases, in order to remind that agency of their responsibility to review for proper bonding.
OTS
11/14/96

FILMING

- VB 1. All attachments to this form have been microfilmed. Today's date: 12-27-96.

FILING

- ____ 1. Copies of all attachments to this form have been filed in each well file.
- ____ 2. The original of this form, and the original attachments are now being filed in the Operator Change file.

COMMENTS

**BURLINGTON RESOURCES
MID-CONTINENT DIVISION****3300 NO. A STREET, BLDG. 6 (79705)
P.O. BOX 51810
MIDLAND, TEXAS 79710-1810****DRILLING DEPARTMENT
FAX NO. 915/688-6009**

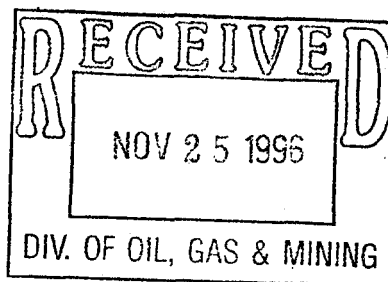
DATE: 10/30 **TIME:** _____
TO: Lisha **FAX NO:** (801) 359-3940
CITY/STATE: SLE, UT
FROM: Eileen Day **PHONE:** (915) 688-9042
NO. OF PAGES (Including Cover Sheet): 3

SPECIAL INSTRUCTIONS:

Sorry so late!!

Call me if you need
anything else!

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING



TRANSFER OF AUTHORITY TO INJECT - UIC FORM 5

Well name and number: _____
Field or Unit name: KACHINA UNIT API no. _____
Well location: QQ _____ section _____ township 38S range 23+24E county SAN JUAN
Effective Date of Transfer: 7/11/96

CURRENT OPERATOR

Transfer approved by:

Name EILEEN DANNI DEY Company MERIDIAN OIL INC.
Signature Eileen Danni Dey Address 5613 DTC PARKWAY
Title SR. REGULATORY COMPLIANCE REPRESENTATIVE ENGLEWOOD, CO 80111
Date 10/30/96 Phone (303) 930-9393

Comments:

NAME CHANGE ONLY

NEW OPERATOR

Transfer approved by:

Name EILEEN DANNI DEY Company BURLINGTON RESOURCES
Signature Eileen Danni Dey Address P.O. Box 51810
Title SR. REGULATORY COMPLIANCE REPRESENTATIVE MIDLAND, TX 79705-1810
Date 10/30/96 Phone (915) 688-9042

Comments:

Name Change only

(State use only)

Transfer approved by [Signature] Title Environ. Manager

Approval Date 10-31-96

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801

Page 2 of 2

MONTHLY OIL AND GAS PRODUCTION REPORT

OPERATOR NAME AND ADDRESS:

MARALENE SPAWN
BURLINGTON RESOURCES O&G
3300 N A ST BLDG 6
MIDLAND TX 79710-1810

UTAH ACCOUNT NUMBER: N7670REPORT PERIOD (MONTH/YEAR): 2 / 97AMENDED REPORT ☐ (Highlight Changes)

| Well Name API Number Entity Location | Producing Zone | Well Status | Days Oper | Production Volumes | | |
|--|-------------------|----------------|--------------|--------------------|----------------------|---------------|
| | | | | OIL(BBL) | GAS(MCF) | WATER(BBL) |
| ✓ HAVASU FEDERAL 12-19 4303731457 10654 38S 24E 19 | ISMY | | | U-56186 | Kechina Unit | Sec. Recovery |
| ✓ HAVASU FEDERAL 12-19A 4303731459 10654 38S 24E 19 | ISMY | | | U-56186 | " | |
| ✓ NAVAJO FEDERAL 42-5 4303731261 10655 39S 25E 5 | ISMY | | | U-58728 | | |
| ✓ NAVAJO FEDERAL 41-5 4303731358 10810 39S 25E 5 | DSCR | | | U-57895 | | |
| ✓ INDIAN CREEK 14176 #1 4301530091 10907 17S 06E 14 | FRSD | | | U-15202 | | |
| ✓ BANNOCK-FEDERAL 21-33 4303731425 10923 38S 24E 33 | ISMY | | | U-40361 | | |
| 4303731425 10923 38S 24E 33 | | | | | | |
| ✓ 4303731324 99990 38S 25E 13 | SPMP / WSW | | | U-20894 | * BLM aprv. 4-23-97. | |
| ✓ Arabian Federal 21 4303731282 10654 38S 24E 19 | ISMY / W1W | | | U-56186 | Kechina Unit | Sec. Recovery |
| ✓ Havasu Federal 31-19 4303731458 10654 38S 24E 19 | ISMY / W1W | | | U-56186 | " | |
| ✓ Havasu Federal 42-24 4303731298 10654 38S 23E 24 | ISMY / W1W | | | U-20895 | " | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| TOTALS | | | | | | |

REMARKS:

I hereby certify that this report is true and complete to the best of my knowledge.

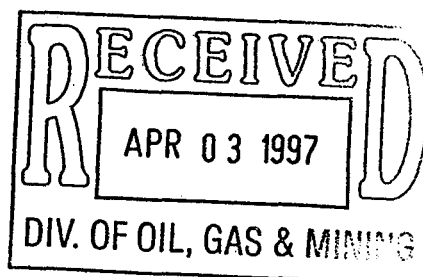
Date: _____

Signature: _____

Telephone Number: _____

MERIT ENERGY COMPANY

12222 MERIT DRIVE, SUITE 1500
DALLAS, TEXAS 75251
(972) 701-8377
(972) 960-1252 Fax



April 2, 1997

**Utah Division of Oil, Gas and Mining
Attn: Ms. Lisha Cordova
1594 West North Temple
Suite 1210
Salt Lake City, Utah 84114**

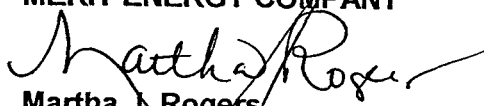
**RE: Change of Operator to Merit Energy Company
Emery and San Juan County**

Dear Ms. Cordova:

Enclosed please find a copy of Form 3160 executed by both parties, Merit Energy and Burlington Resources.

If additional information or forms are required to process this transaction, please contact me at 972-701-8377.

**Yours very truly,
MERIT ENERGY COMPANY**


**Martha J. Rogers
Manager, Regulatory Affairs**

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or re-entry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals.

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other

2. Name of Operator

BURLINGTON RESOURCES OIL & GAS COMPANY

3. Address and Telephone No (915)688-6800

P. O. BOX 51810, MIDLAND, TX 79710-1810

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2180' FSL & 950' FWL, NWSW

19 038S 024E, SLM

5. Lease Designation and Serial No.
UTU56186

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
ARABIAN FEDERAL 2

9. API Well No.
43,037,3128200

10. Field and Pool, or Exploratory Area
KACHINA, ISMAY

11. County or Parish, State
SAN JUAN, UT

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment

☐ Recompletion

☐ Plugging Back

☐ Casing Repair

☐ Altering Casing

☒ Other CHANGE OF
OPERATOR

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut-Off

☐ Conversion to Injection

☐ Dispose Water

(Note: Report results of multiple completion on Well
Completion or Recompletion Report and Log form.)

13. Described Proposed or Completed Operations (Clearly state all pertinent details and give pertinent dates including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

EFFECTIVE JANUARY 1, 1997, BURLINGTON RESOURCES OIL & GAS COMPANY, THE OPERATOR OF RECORD OF THE ARABIAN FEDERAL 2 WELL, TRANSFERRED ALL OF ITS RIGHT, TITLE AND INTEREST IN SAID WELL TO MERIT PARTNERS, L.P. (AS TO 92.4%) AND MERIT ENERGY PARTNERS III, L.P. (AS TO 7.6%), C/O MERIT ENERGY COMPANY, 12222 MERIT DRIVE, DALLAS, TX 75251.

ON APRIL 1, 1997, MERIT ENERGY COMPANY, GENERAL PARTNER FOR MERIT PARTNERS, L.P. AND MERIT ENERGY PARTNERS III, L.P., WILL TAKE OVER PHYSICAL OPERATIONS OF SAID WELL ON BEHALF OF SAID LIMITED PARTNERSHIPS.

14. I hereby certify that the foregoing is true and correct.

Signed

Kent Beers

Title

Attorney-in-Fact

Date

March 31, 1997

(This space for Federal or State office use)

Approved By

Title

Date

Condition of Approval, If any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statement or representations as to any matter within its jurisdiction.

CHANGE OF OPERATOR STATE OF - UT

| COUNTY | FIELD NAME | WELL NAME | STR | LSE# | WELLTYPE | APIWELL | COMM NO. | FED CNTRL | ST CNTRL |
|----------|-----------------------|-----------------------------|--------------|------------|----------------|----------------|----------------|------------|--|
| EMERY | EAST MOUNTAIN ,FERRON | EAST MOUNTAIN FEDERAL 13-35 | 35 016S 006E | 1 ML-27626 | GAS WELL | 43,015,3023000 | UT060P49-87U69 | 57287U6920 | 025 <i>456933</i> |
| EMERY | EAST MOUNTAIN ,FERRON | EAST MOUNTAIN FEDERAL 32-23 | 23 016S 006E | | GAS WELL | 43,015,3023100 | UT060P49-87U69 | 57287U6920 | 025 <i>417624</i> |
| EMERY | FERRON ,FERRON | INDIAN CREEK 021762 3 | 02 017S 006E | 1 ML-27626 | GAS WELL | 43,015,3017500 | | 57287U6920 | 025 <i>415204</i> |
| EMERY | FERRON ,FERRON | INDIAN CREEK 1 | 02 017S 006E | ML-27626 | GAS WELL | 43,015,3008200 | | 57287U6920 | 025 <i>ML-27626</i> |
| EMERY | FERRON ,FERRON | INDIAN CREEK 10176 5 | 10 017S 006E | 1 ML-27626 | GAS WELL | 43,015,3011700 | | 57287U6920 | 025 <i>415203</i> |
| EMERY | FERRON ,FERRON | INDIAN CREEK 14176 1 | 14 017S 006E | UTU15202 | GAS WELL | 43,015,3009100 | | UTU15202 | 109 <i>415202</i> |
| SAN JUAN | BANNOCK ,ISMAY | BANNOCK FEDERAL 21-33 | 33 038S 024E | ✓ UTU60786 | OIL WELL | 43,037,3142500 | 60786A | UTU60786A | 109 <i>440361</i> |
| SAN JUAN | KACHINA ,CUTLER | WASH UNIT 2 | 13 038S 023E | UTU20894 | WATER SOURCE | 43,037,3132400 | | UTU20894 | 106 <i>420894 (To Water Rights 4-7-97)</i> |
| SAN JUAN | KACHINA ,ISMAY | ARABIAN FEDERAL 2 | 19 038S 024E | UTU56186 | WATER INJECTED | 43,037,3128200 | | UTU56186 | 106 <i>456186</i> |
| SAN JUAN | KACHINA ,ISMAY | HAVASU FEDERAL 11-19 | 19 038S 024E | UTU56186 | WATER INJECTED | 43,037,3145800 | | UTU56186 | 106 <i>456186</i> |
| SAN JUAN | KACHINA ,ISMAY | HAVASU FEDERAL 12-19 | 19 038S 024E | UTU56186 | OIL WELL | 43,037,3145700 | | UTU56186 | 106 <i>456186</i> |
| SAN JUAN | KACHINA ,ISMAY | HAVASU FEDERAL 12-19A | 19 038S 024E | UTU56186 | OIL WELL | 43,037,3145900 | | UTU56186 | 106 <i>456186</i> |
| SAN JUAN | KACHINA ,ISMAY | HAVASU FEDERAL 22-19 | 19 038S 024E | UTU56186 | OIL WELL | 43,037,3127800 | | UTU56186 | 106 <i>456186</i> |
| SAN JUAN | KACHINA ,ISMAY | HAVASU FEDERAL 41-24 | 24 038S 023E | UTU20895 | OIL WELL | 43,037,3127900 | | UTU20895 | 106 <i>420895</i> |
| SAN JUAN | KACHINA ,ISMAY | HAVASU FEDERAL 42-24 | 24 038S 023E | UTU20895 | WATER INJECTED | 43,037,3129800 | | UTU20895 | 106 <i>420895</i> |

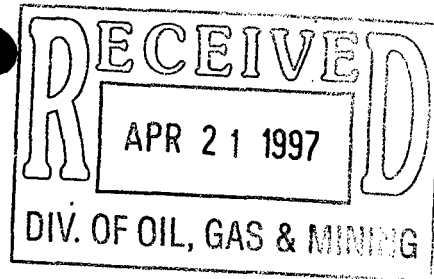
CHANGE OF OPERATOR STATE OF - UT

| COUNTY | FIELD NAME | WELL NAME | STR | LSE# | WELLTYPE | APIWELL | COMM NO. | FED CNTRL | ST CNTRL |
|----------|-----------------------------|---------------------------|--------------|----------|----------------|----------------|----------|------------|--|
| SAN JUAN | KACHINA ,ISMAY-DESERT CREEK | ARABIAN FEDERAL 3 | 19 038S 024E | UTU58186 | OIL WELL | 43,037,3128700 | | UTU58186 | 106 <i>U56186</i> |
| SAN JUAN | KIVA (UPPER ISMAY) ,CUTLER | NAVAJO FEDERAL 42-9 | 09 039S 025E | U-52333 | WATER SOURCE | 43,037,3126300 | | | <i>U52333 (To Water Rights 4-7-97)</i> |
| SAN JUAN | KIVA (UPPER ISMAY) ,ISMAY | KIVA FEDERAL 24-4 | 04 039S 025E | | OIL WELL | 43,037,3174500 | | 83687U6890 | 099 <i>U5A-U52333</i> |
| SAN JUAN | KIVA (UPPER ISMAY) ,ISMAY | NAVAJO FEDERAL (WIV) 4-1 | 04 039S 025E | | WATER INJECTED | 43,037,3111200 | | 83687U6890 | 099 <i>U52333</i> |
| SAN JUAN | KIVA (UPPER ISMAY) ,ISMAY | NAVAJO FEDERAL (WIV) 43-5 | 04 039S 025E | | WATER INJECTED | 43,037,3131700 | | 83687U6890 | 099 <i>U58728</i> |
| SAN JUAN | KIVA (UPPER ISMAY) ,ISMAY | NAVAJO FEDERAL 12-4 | 04 039S 025E | | WATER INJECTED | 43,037,3139500 | | 83687U6890 | 099 <i>U52333</i> |
| SAN JUAN | KIVA (UPPER ISMAY) ,ISMAY | NAVAJO FEDERAL 14-4 | 04 039S 025E | | WATER INJECTED | 43,037,3132100 | | 83687U6890 | 099 <i>U52333</i> |
| SAN JUAN | KIVA (UPPER ISMAY) ,ISMAY | NAVAJO FEDERAL 21-9 | 09 039S 025E | | WATER INJECTED | 43,037,3126700 | | 83687U6890 | 099 <i>U52333</i> |
| SAN JUAN | KIVA (UPPER ISMAY) ,ISMAY | NAVAJO FEDERAL 23-4 | 04 039S 025E | | WATER INJECTED | 43,037,3125900 | | 83687U6890 | 099 <i>U52333</i> |
| SAN JUAN | KIVA (UPPER ISMAY) ,ISMAY | NAVAJO FEDERAL 4-1 | 04 039S 025E | | OIL WELL | 43,037,3111200 | | 83687U6890 | 099 <i>U52333</i> |
| SAN JUAN | KIVA (UPPER ISMAY) ,ISMAY | NAVAJO FEDERAL 4-2 | 04 039S 025E | | OIL WELL | 43,037,3116100 | | 83687U6890 | 099 <i>U52333</i> |
| SAN JUAN | KIVA (UPPER ISMAY) ,ISMAY | NAVAJO FEDERAL 4-4 | 04 039S 025E | | OIL WELL | 43,037,3117900 | | 83687U6890 | 099 <i>U52333</i> |
| SAN JUAN | KIVA (UPPER ISMAY) ,ISMAY | NAVAJO FEDERAL 42-5 | 05 039S 025E | | OIL WELL | 43,037,3128100 | | 83687U6890 | 106 <i>U58728</i> |
| SAN JUAN | KIVA (UPPER ISMAY) ,ISMAY | NAVAJO FEDERAL 43-5 | 04 039S 025E | | OIL WELL | 43,037,3131700 | | 83687U6890 | 099 <i>U58728</i> |
| SAN JUAN | KIVA (UPPER ISMAY) ,ISMAY | NAVAJO FEDERAL 9-1 | 09 039S 025E | | OIL WELL | 43,037,3100100 | | 83687U6890 | 099 <i>U52333</i> |
| SAN JUAN | KIVA (UPPER ISMAY) ,WINGATE | NAVAJO FEDERAL 42-9 | 09 039S 025E | | WATER SOURCE | 43,037,3126300 | | 83687U6890 | 099 <i>U52333 (To Water Rights 4-7-97)</i> |

P.19/19

CHANGE OF OPERATOR STATE OF - UT

| COUNTY | FIELD NAME | WELL NAME | STR | LSE# | WELLTYPE | APIWELL | COMM NO. | FED CNTRL | ST CNTRL |
|----------|-----------------------|---------------------------|--------------|----------|----------|----------------|----------|-----------|--------------------|
| SAN JUAN | KIVA, DESERT CREEK | NAVAJO FEDERAL 41-5 | 05 039S 025E | UTU57895 | OIL WELL | 43,037,3135800 | | UTU57895 | 108 <i>1157895</i> |
| SAN JUAN | LION MESA, CANE CREEK | HATCH POINT FEDERAL 27-1A | 27 027S 021E | UTU20016 | OIL WELL | 43,037,3051800 | | UTU20016 | 028 <i>1120016</i> |



TRANSFER OF AUTHORITY TO INJECT - UIC FORM 5

Well name and number: ARABIAN FEDERAL #2

Field or Unit name: KACHINA API no. 4303731282

Well location: QQ NWSW section 19 township 38S range 24E county SAN JUAN

Effective Date of Transfer: April 1, 1997

CURRENT OPERATOR

Transfer approved by:

Name EILEEN DANNI DEX

Company BURLINGTON RESOURCES OIL & GAS

Signature *Eileen Danni Dex*

Address P.O. BOX 51810

Title REGULATORY COMPLIANCE SUPERVISOR

MIDLAND, TX 79710-1810

Date 4-8-97

Phone (915) 688-9042

Comments: EFFECTIVE DATE OF SALE IS 1-1-97.
EFFECTIVE DATE OF TRANSFER OF OPERATIONS IS 4-1-97..

NEW OPERATOR

Transfer approved by:

Name Martha J. Rogers

Company Merit Energy Company

Signature *Martha J. Rogers*

Address 12222 Merit Drive

Title Manager, Regulatory Affairs

Dallas, Texas 75251

Date April 15, 1997

Phone (972) 701-8377

Comments: Eff. date of sale is 1/1/97 and the eff. date of transfer
of operations is 4/1/97

(State use only)

Transfer approved by *[Signature]*

Title *[Signature]*

Approval Date 5-5-97

X970506 mailed copy to operators of
LC

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or re-entry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals.

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other

2. Name of Operator

MERIT ENERGY COMPANY

3. Address and Telephone No (972) 701-8377

12222 MERIT DRIVE, DALLAS, TX 75251

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2180' FSL & 950' FWL, NWSW
19 038S 024E, SLM

5. Lease Designation and Serial No.
UTU56186

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

ARABIAN FEDERAL 2

9. API Well No.

43,037,3128200

10. Field and Pool, or Exploratory Area

KACHINA, ISMAY

11. County or Parish, State

SAN JUAN, UT

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment

☐ Recompletion

☐ Plugging Back

☐ Casing Repair

☐ Altering Casing

☒ Other CHANGE OF
OPERATOR

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut-Off

☐ Conversion to Injection

☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Described Proposed or Completed Operations (Clearly state all pertinent details and give pertinent dates including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

EFFECTIVE AS OF JANUARY 1, 1997, BURLINGTON RESOURCES OIL & GAS COMPANY, THE PRIOR OPERATOR OF RECORD, TRANSFERRED ALL RIGHT, TITLE AND INTEREST IN THE ARABIAN FEDERAL 2 WELL TO MERIT PARTNERS, L.P. (AS TO 92.4%) AND MERIT ENERGY PARTNERS III, L.P. (AS TO 7.6%), C/O MERIT ENERGY COMPANY, 12222 MERIT DRIVE, DALLAS, TX 75251. ON APRIL 1, 1997, MERIT ENERGY COMPANY, THE GENERAL PARTNER FOR MERIT PARTNERS, L.P. AND MERIT ENERGY PARTNERS III, L.P., WILL TAKE OVER PHYSICAL OPERATIONS OF SAID WELL ON BEHALF OF SAID LIMITED PARTNERSHIPS AND IS CONSIDERED TO BE THE OPERATOR OF SAID WELL AS OF THAT DATE.

MERIT ENERGY COMPANY IS RESPONSIBLE UNDER THE TERMS AND CONDITIONS OF THE LEASE FOR THE OPERATIONS CONDUCTED UPON THE LEASED LANDS. BOND COVERAGE IN THE AMOUNT OF \$150,000 FOR MERIT ENERGY COMPANY IS PROVIDED UNDER BLM BOND NO. WY3011, IN FAVOR OF THE BUREAU OF LAND MANAGEMENT, U.S. DEPARTMENT OF THE INTERIOR.

14. I hereby certify that the foregoing is true and correct.

Signed

Martha Rogers

Title

Manager, Regulatory Affairs

Date

March 31, 1997

Assistant Field Manager,

Resource Management

(This space for Federal or State office use)

/s/ Brad D. Palmer

Approved By

Title

Date

Condition of Approval, If any:

CONDITIONS OF APPROVAL ATTACHED

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statement or representations as to any matter within its jurisdiction.

Merit Energy Company
Well No. Arabian Federal 2
NWSW Sec. 19, T. 38 S., R. 24 E.
San Juan County, Utah

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that Merit Energy Company is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased land.

Bond coverage for this well is provided by BLM Bond WY3011 (Principle - Merit Energy Company) as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

OPERATOR CHANGE WORKSHEET

Attach all documentation received by the division regarding this change.

Initial each listed item when completed. Write N/A if item is not applicable.

| | |
|---------|--------|
| Routing | |
| 1-LEC | 6-LEC |
| 2-GLM | 7-KAS |
| 3-DPS | 8-SI |
| 4-VLD | 9-FILE |
| 5-JRB | |

☒ Change of Operator (well sold)☐ Designation of Agent☐ Designation of Operator☐ Operator Name Change OnlyThe operator of the well(s) listed below has changed, effective: 4-1-97

TO: (new operator) MERIT ENERGY COMPANY
 (address) 12222 MERIT DR STE 1500
DALLAS TX 75251
MARTHA ROGERS
 Phone: (972) 701-8377
 Account no. N4900 (4-30-97)

FROM: (old operator) BURLINGTON RESOURCES O&G
 (address) 3300 N A ST BLDG 6
MIDLAND TX 79710-1810
MARALENE SPAWN
 Phone: (915) 688-6800
 Account no. N7670

WELL(S) attach additional page if needed:

***KACHINA UNIT (SECONDARY RECOVERY)**

| | | | | | | |
|-------------------------------|--------------------------|---------------|---------|---------|---------|--------------|
| Name: **SEE ATTACHED** | API: <u>43-037-31882</u> | Entity: _____ | S _____ | T _____ | R _____ | Lease: _____ |
| Name: _____ | API: _____ | Entity: _____ | S _____ | T _____ | R _____ | Lease: _____ |
| Name: _____ | API: _____ | Entity: _____ | S _____ | T _____ | R _____ | Lease: _____ |
| Name: _____ | API: _____ | Entity: _____ | S _____ | T _____ | R _____ | Lease: _____ |
| Name: _____ | API: _____ | Entity: _____ | S _____ | T _____ | R _____ | Lease: _____ |
| Name: _____ | API: _____ | Entity: _____ | S _____ | T _____ | R _____ | Lease: _____ |
| Name: _____ | API: _____ | Entity: _____ | S _____ | T _____ | R _____ | Lease: _____ |

OPERATOR CHANGE DOCUMENTATION

- lec 1. (r649-8-10) Sundry or other legal documentation has been received from the **FORMER** operator (attach to this form). (Rec'd 4-3-97)
- lec 2. (r649-8-10) Sundry or other legal documentation has been received from the **NEW** operator (Attach to this form). (Rec'd 4-3-97)
- lec 3. The **Department of Commerce** has been contacted if the new operator above is not currently operating any wells in Utah. Is the company **registered with the state?** (yes/no) (yes) If yes, show company file number: #60198545. (ex. 3-13-97)
- lec 4. **FOR INDIAN AND FEDERAL WELLS ONLY.** The BLM has been contacted regarding this change. Make note of BLM status in comments section of this form. BLM approval of **Federal** and **Indian** well operator changes should ordinarily take place prior to the division's approval, and before the completion of steps 5 through 9 below.
- lec 5. Changes have been entered in the **Oil and Gas Information System** (3270) for each well listed above. (4-30-97)
- lec 6. **Cardex** file has been updated for each well listed above. (5-30-97)
- lec 7. Well **file labels** have been updated for each well listed above. (5-30-97)
- lec 8. Changes have been included on the monthly "Operator, Address, and Account Changes" **memo** for distribution to Trust Lands, Sovereign Lands, UGS, Tax Commission, etc. (4-30-97)
- lec 9. A folder has been set up for the **Operator Change file**, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- ___ 1. (r649-8-7) **Entity assignments have been reviewed** for all wells listed above. Were entity changes made? (yes/no) ___ If entity assignments were changed, attach copies of Form 6, Entity Action Form.
- ___ 2. Trust Lands, Sovereign Lands, Tax Commission, etc., have been **notified** through normal procedures of entity changes.

BOND VERIFICATION - (FEE WELLS ONLY)

- ___ 1. (r649-3-1) The **NEW** operator of any fee lease well listed above has furnished a proper bond.
- ___ 2. A **copy of this form** has been placed in the new and former operator's bond files.
- ___ 3. The **FORMER** operator has requested a release of liability from their bond (yes/no) ___, as of today's date _____. If yes, division response was made to this request by letter dated _____.

LEASE INTEREST OWNER NOTIFICATION OF RESPONSIBILITY

- N/A 1. Copies of documents have been sent on _____ to _____ at Trust Lands for changes involving State leases, in order to remind that agency of their responsibility to review for proper bonding.
- N/A 2. (r649-2-10) The former operator of any fee lease wells listed above has been contacted and informed by letter dated _____ 19 ___, of their responsibility to notify all interest owners of this change.

FILMING

- W 1. All attachments to this form have been **microfilmed**. Today's date: 6-20-97.

FILING

- ___ 1. **Copies** of all attachments to this form have been filed in each **well file**.
- ___ 2. The **original of this form**, and the **original attachments** are now being filed in the Operator Change file.

COMMENTS

970430 BLM / aprv. 4-23-97.

STATE OF UTAH
DIVISION OF OIL GAS AND MINING

INJECTION WELL - PRESSURE TEST

Well Name: ARABIAN FEDERAL # 2 API Number: 43-037-31282
Qtr/Qtr: NW/SW Section: 19 Township: 38S Range: 24E
Company Name: MERIT ENERGY COMPANY
Lease: State _____ Fee _____ Federal X Indian _____
Inspector: J THOMPSON Date: 8/31/99 2:25 PM

Initial Conditions:

Tubing - Rate: _____ Pressure: 975 psiCasing/Tubing Annulus - Pressure: 0 psi

Conditions During Test:

| Time (Minutes) | Annulus Pressure | Tubing Pressure |
|----------------|------------------|-----------------|
| 0 | <u>0</u> | <u>975</u> |
| 5 | <u>1000</u> | <u></u> |
| 10 | <u></u> | <u></u> |
| 15 | <u></u> | <u></u> |
| 20 | <u></u> | <u></u> |
| 25 | <u></u> | <u></u> |
| 30 | <u></u> | <u></u> |

Results: Pass/Fail

Conditions After Test:

Tubing Pressure: 975 psiCasing/Tubing Annulus Pressure: 0 psi

COMMENTS: _____

R. Wa. Jones
Operator Representative

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

UIC FORM 5

TRANSFER OF AUTHORITY TO INJECT

| | |
|--|---|
| Well Name and Number Arabian Federal #2 | API Number 4303731282 |
| Location of Well Footage : 2180' FSL & 950' FWL County : San Juan QQ, Section, Township, Range: NWSW 19 38S 24E State : UTAH | Field or Unit Name Kachina Lease Designation and Number |

EFFECTIVE DATE OF TRANSFER: 9/30/00

CURRENT OPERATOR

Company: Merit Energy Company
Address: 12222 Merit Dr., Suite 1500
city Dallas state TX zip 75251
Phone: (972) 701-8377
Comments:

Name: Arlene Valliquette
Signature: *Arlene Valliquette*
Title: Mgr - Regulatory Affairs
Date: 9/29/00

NEW OPERATOR

Company: Journey Operating, L.L.C.
Address: 1201 Louisiana, Suite 1040
city Houston state TX zip 77002
Phone: (713) 655-0595
Comments:

Name: Brian A. Baer
Signature: *Brian A. Baer*
Title: President
Date: 10/8/00

(This space for State use only)

Transfer approved by: *[Signature]*
Title: Tech. Services Manager

Approval Date: 1/3/01

Comments:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☐ OTHER _____

2. NAME OF OPERATOR:

Merit Energy Company

3. ADDRESS OF OPERATOR:

12222 Merit Dr., Suite _____ CITY Dallas STATE TX ZIP 75251

PHONE NUMBER:

(972) 701-8377

4. LOCATION OF WELL

FOOTAGES AT SURFACE: See Attached

COUNTY: San Juan

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____

STATE:

UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:

See attached

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

See attached

8. WELL NAME and NUMBER:

See attached

9. API NUMBER:

10. FIELD AND POOL, OR WILDCAT:

See attached

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|--|---|---|--|
| <input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input checked="" type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> OTHER: _____ |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Merit Energy Company advises, effective 10-1 _____, 2000, Journey Operating, L.L.C. will become the operator of the wells on the attached list.

Journey Operating, L.L.C.
1201 Louisiana, Suite 1040
Houston, TX. 77002
(713) 655-0595

By:

Brian A. Baer, President

Received

OCT 20 2000

DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) Arlene Valliquette

TITLE Manager - Regulatory Affairs

SIGNATURE

Arlene Valliquette

DATE

9/29/00

(This space for State use only)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED

Budget Bureau No.: 1004-0135

Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reentry to an
abandoned well. Use Form 3160-3 (APD) for such proposals

SUBMIT IN TRIPLICATE - Other instructions on reverse side

5. Lease Designation and Serial No.

UTU-56186

7. If Unit or CA, Agreement Designation

8. Well Name and No.

See Attached

9. API Number

See Attached

10. Field and Pool or Exploratory Area

Kachina; Ismay

11. County or Parish, State

San Juan County, UT

1. Type of well

☐ Oil Well ☐ Gas Well ☒ Other

Water Source Well

2. Name of Operator

Journey Operating, L.L.C.

3a. Address and Telephone No.

1201 Louisiana, Suite 1040, Houston, Tx 77002

3b. Phone No. (include area code)

713-655-0595

4. Location of Well (Footage, Sec, T,R, or Survey Description)

See Attached

12 CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Acidize ☐ Deepen ☐ Production (Start/Resume) ☐ Water Shut-Off
☐ Alter Casing ☐ Fracture Treat ☐ Reclamation ☐ Well Integrity
☐ Casing Repair ☐ New construction ☐ Recomplete ☒ Other
☐ Change Plans ☐ Plug and Abandon ☐ Temporarily Abandon Change of Operator
☐ Convert to Injection ☐ Plug Back ☐ Water Disposal

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated starting date of starting any proposed work and approximate duration thereof.

If the proposal is to deepen directionally or recomplete horizontally, give subsurface location and measured and true vertical depths of all pertinent markers and zone. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operations result in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notice shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Journey Operating, L.L.C. hereby accepts the operatorship of this well effective October 1, 2000. Journey Operating, L.L.C. will be responsible under the terms and conditions of the lease(s) for the operations conducted on the leased lands or portions thereof. Journey Operating, L.L.C. bond coverage is provided under Bond No. RLB0002487.

BLM Bond # WY 3354 - Nationwide

14 I hereby certify that the foregoing is true and correct

Signed:

Title: Sr. Regulatory Analyst

Date: 1/17/01

(This space for Federal or State office use)

Approved by:

Title:

Assistant Field Manager,
Division of Resources

Date: 1/22/01

Conditions of approval, if any:

CONDITIONS OF APPROVAL ATTACHED

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make any department or agency of the United State any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instructions on Reverse Side

cc: DOGM 1/22/01

RECEIVED
JAN 25 2001
DIVISION OF
OIL, GAS AND MINING

Journey Operating, LLC
Well Nos. 2, 3, 11-19, 12-19, 12-19A and 22-19
Sec. 19, T. 38 S., R. 24 E.
Lease UTU56186
San Juan County, Utah

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that Journey Operating, LLC is considered to be the operator of the above wells and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for these wells is provided by WY3354 (Principal - Journey Operating, LLC) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

RECEIVED

JAN 25 2001

DIVISION OF
OIL, GAS AND MINING

CHANGE OF OPERATOR
from Merit Energy Company to Journey Operating, L.L.C.
San Juan County, Utah

Attachment to Utah Form 19

| Well Type | Lease Serial No. | Field Name | Well Name/Number | API Number | Location of Well |
|-------------------|-------------------------|-------------------|--------------------------|-------------------|---|
| Oil Well | UTU-40361 | Bannock | Bannock Federal #21-33 | 43-037-31425 | NE NW (685' FNL & 1520' FWL) Sec. 33-T38S-R24E |
| Injection Well | I-149-IND-9123 | Ismay | Ismay Flodine Park R-124 | 43-037-16169 | NE NE (660' FNL & 660' FEL) Sec. 24-T40S-R25E |
| Oil Well | 14-20-603-2055-A | Ismay | Ismay Flodine Park S-216 | 43-037-15546 | SW NW (1820' FNL & 500' FWL) Sec. 16-T40S-R26E |
| Injection Well | 14-20-603-2055-A | Ismay | Ismay Flodine Park T-316 | 43-037-16462 | NE SW (1980' FSL & 1980' FWL) Sec. 16-T40S-R26E |
| Oil Well | 14-20-603-2055-A | Ismay | Ismay Flodine Park S-416 | 43-037-15544 | SW SW (1820' FNL & 500' FWL) Sec. 16-T40S-R26E |
| Oil Well | 14-20-603-2055-A | Ismay | Ismay Flodine Park U-416 | 43-037-15545 | SW SE (660' FSL & 1980' FEL) Sec. 16-T40S-R26E |
| Injection Well | I-149-IND-9124 | Ismay | Ismay Flodine Park T-117 | 43-037-16456 | NE NW (775' FNL & 1995' FWL) Sec. 17-T40S-R26E |
| Oil Well | I-149-IND-9124 | Ismay | Ismay Flodine Park S-217 | 43-037-16170 | SW NW (1980' FNL & 660' FWL) Sec. 17-T40S-R26E |
| Injection Well | I-149-IND-9124 | Ismay | Ismay Flodine Park V-117 | 43-037-16188 | NE NE (660' FNL & 660' FEL) Sec. 17-T40S-R26E |
| Oil Well | I-149-IND-9124 | Ismay | Ismay Flodine Park U-217 | 43-037-16180 | SW NE (1980' FNL & 1820' FEL) Sec. 17-T40S-R26E |
| Injection Well | I-149-IND-9124 | Ismay | Ismay Flodine Park T-317 | 43-037-16463 | NE SW (1980' FSL & 1980' FWL) Sec. 17-T40S-R26E |
| Oil Well | I-149-IND-9124 | Ismay | Ismay Flodine Park U-417 | 43-037-16185 | SW SE (500' FSL & 1820' FEL) Sec. 17-T40S-R26E |
| Injection Well | I-149-IND-9123 | Ismay | Ismay Flodine Park T-118 | 43-037-16457 | NE NW (660' FNL & 1980' FWL) Sec. 18-T40S-R26E |
| Oil Well | I-149-IND-9123 | Ismay | Ismay Flodine Park S-218 | 43-037-16171 | SW NW (1820' FNL & 660' FWL) Sec. 18-T40S-R26E |
| Oil Well | I-149-IND-9123 | Ismay | Ismay Flodine Park T-318 | 43-037-16464 | NE SE (1980' FSL & 1980' FWL) Sec. 18-T40S-R26E |
| Oil Well | I-149-IND-9123 | Ismay | Ismay Flodine Park V-318 | 43-037-16467 | NE SE (1980' FSL & 660' FEL) Sec. 18-T40S-R26E |
| Oil Well | I-149-IND-9123 | Ismay | Ismay Flodine Park U-418 | 43-037-16186 | SW SE (660' FSL & 1980' FEL) Sec. 18-T40S-R26E |
| Injection Well | I-149-IND-9123 | Ismay | Ismay Flodine Park T-119 | 43-037-16458 | NE NW (660' FNL & 1980' FWL) Sec. 19-T40S-R26E |
| Water Source Well | I-149-IND-9123 | Ismay | Ismay Flodine Park V-219 | 43-037-16519 | SE NE (1980' FNL & 560' FEL) Sec. 19-T40S-R26E |
| Oil Well | I-149-IND-9124 | Ismay | Ismay Flodine Park V-120 | 43-037-16190 | NE NE (660' FNL & 660' FEL) Sec. 20-T40S-R26E |
| Water Source Well | I-149-IND-9124 | Ismay | Ismay Flodine Park V-220 | 43-037-20055 | SE NE (1950' FNL & 1120' FEL) Sec. 20-T40S-R26E |
| Oil Well | I-149-IND-9124 | Ismay | Ismay Flodine Park S-121 | 43-037-31629 | NW NW (500' FNL & 660' FWL) Sec. 21-T40S-R26E |
| Injection Well | I-149-IND-9124 | Ismay | Ismay Flodine Park T-121 | 43-037-16460 | NE NW (610' FNL & 2050' FWL) Sec. 21-T40S-R26E |
| Water Source Well | I-149-IND-9124 | Ismay | Ismay Flodine Park U-121 | 43-037-20056 | NW NE (540' FNL & 1980' FEL) Sec. 21-T40S-R26E |
| Injection Well | I-149-IND-9124 | Ismay | Ismay Flodine Park V-121 | 43-037-16191 | NE NE (660' FNL & 660' FEL) Sec. 21-T40S-R26E |
| Injection Well | I-149-IND-9124 | Ismay | Ismay Flodine Park U-421 | 43-037-11267 | SW SE (660' FSL & 1980' FEL) Sec. 21-T40S-R26E |
| Injection Well | I-149-IND-9124 | Ismay | Ismay Flodine Park V-321 | 43-037-16194 | NE SE (1980' FSL & 670' FEL) Sec. 21-T40S-R26E |

CHANGE OF OPERATOR
from Merit Energy Company to Journey Operating, L.L.C.
San Juan County, Utah

Attachment to Utah Form 19

| Well Type | Lease Serial No. | Field Name | Well Name/Number | API Number | Location of Well |
|-------------------|-------------------------|-------------------|--------------------------|-------------------|---|
| Oil Well | I-149-IND-9124 | Ismay | Ismay Flodine Park S-222 | 43-037-16173 | SW NW (2030' FNL & 820' FWL) Sec. 22-T40S-R26E |
| Injection Well | I-149-IND-9124 | Ismay | Ismay Flodine Park T-322 | 43-037-16179 | NE SW (1820' FSL & 1935' FWL) Sec. 22-T40S-26E |
| Oil Well | I-149-IND-9124 | Ismay | Ismay Flodine Park U-422 | 43-037-16187 | SW SE (820' FSL & 2140' FEL) Sec. 22-T40S-R26E |
| Oil Well | NOG-9904-1324 | Ismay | Ismay Flodine Park S-227 | 43-037-16231 | SW NW (2140' FNL & 820' FWL) Sec. 27-T40S-R26E |
| Oil Well | NOG-9904-1324 | Ismay | Ismay Flodine Park U-127 | 43-037-31648 | NE NE (745' FNL & 595' FEL) Sec. 27-T40S-R26E |
| Oil Well | NOG-9904-1324 | Ismay | Ismay Flodine Park U-227 | 43-037-16234 | SW NE (2120' FNL & 1950' FEL) Sec. 27-T40S-R26E |
| Oil Well | 14-20-603-2058-A | Ismay | Ismay Flodine Park U-234 | 43-037-16184 | SW NE (1980' FNL & 2080' FEL) Sec. 34-T40S-R26E |
| Water Source Well | UTU-20894 | Kachina | Wash Unit #2 | 43-037-31324 | SE SE (470' FSL & 850' FEL) Sec. 13-T38S-R23E |
| Oil Well | UTU-20895 | Kachina | Havasus Federal #41-24 | 43-037-31279 | NE NE (1050' FNL & 500' FEL) Sec. 24-T38S-R23E |
| Injection Well | UTU-20895 | Kachina | Havasus Federal #42-24 | 43-037-31298 | SE NE (1970' FNL & 461' FEL) Sec. 24-T38S-R23E |
| Injection Well | UTU-56186 | Kachina | Arabian Federal #2 | 43-037-31282 | NW SW (2180' FSL & 950' FWL) Sec. 19-T38S-R24E |
| Oil Well | UTU-56186 | Kachina | Arabian Federal #3 | 43-037-31287 | NE SW (1470' FSL & 1750' FWL) Sec. 19-T38S-R24E |
| Injection Well | UTU-56186 | Kachina | Havasus Federal #11-19 | 43-037-31458 | NW NW (940' FNL & 590' FWL) Sec. 19-T38S-R24E |
| Oil Well | UTU-56186 | Kachina | Havasus Federal #12-19 | 43-037-31457 | SW NW (1840' FNL & 410' FWL) Sec. 19-T38S-R24E |
| Oil Well | UTU-56186 | Kachina | Havasus Federal #12-19A | 43-037-31459 | SW NW (2520' FNL & 200' FWL) Sec. 19-T38S-R24E |
| Oil Well | UTU-56186 | Kachina | Havasus Federal #22-19 | 43-037-31278 | SW NW (1850' FNL & 1255' FWL) Sec. 19-T38S-R24E |
| Injection Well | UTU-52333 | Kiva | Navajo Federal #12-4 | 43-037-31395 | SW NW (2260' FNL & 440' FWL) Sec. 4-T39S-R25E |
| Injection Well | UTU-52333 | Kiva | Navajo Federal #14-4 | 43-037-31321 | SW SW (1150' FSL & 1110' FWL) Sec. 4-T39S-R25E |
| Injection Well | UTU-52333 | Kiva | Navajo Federal #23-4 | 43-037-31259 | NE SW (1500' FSL & 2500' FWL) Sec. 4-T39S-R25E |
| Oil Well | UTU-52333 | Kiva | Kiva Federal #24-4 | 43-037-31745 | SE SW (1057' FSL & 1997' FWL) Sec. 4-T39S-R25E |
| Injection Well | UTU-52333 | Kiva | Navajo Federal #4-1 | 43-037-31112 | SE SW (370' FSL & 1940' FWL) Sec. 4-T39S-R25E |
| Oil Well | UTU-52333 | Kiva | Navajo Federal #4-2 | 43-037-31161 | SW SE (300' FSL & 2225' FEL) Sec. 4-T39S-R25E |
| Oil Well | UTU-52333 | Kiva | Navajo Federal #4-4 | 43-037-31179 | NW SW (1980' FSL & 660' FWL) Sec. 4-T39S-R25E |
| Oil Well | UTU-57895 | Kiva | Navajo Federal #42-5 | 43-037-31261 | SE NE (2130' FNL & 320' FEL) Sec. 5-T39S-R25E |
| Injection Well | UTU-58728 | Kiva | Navajo Federal #43-5 | 43-037-31317 | NE SE (1954' FSL & 627' FEL) Sec. 5-T39S-R25E |
| Oil Well | UTU-52333 | Kiva | Navajo Federal #9-1 | 43-037-31001 | NW NE (770' FNL & 2010' FEL) Sec. 9-T39S-R25E |

CHANGE OF OPERATOR
from Merit Energy Company to Journey Operating, L.L.C.
San Juan County, Utah

Attachment to Utah Form 19

| Well Type | Lease Serial No. | Field Name | Well Name/Number | API Number | Location of Well |
|-------------------|-------------------------|-------------------|-------------------------|-------------------|--|
| Injection Well | UTU-52333 | Kiva | Navajo Federal #21-9 | 43-037-31267 | NE NW (330' FNL & 2510' FWL) Sec. 9-T39S-R25E |
| Water Source Well | UTU-52333 | Kiva | Navajo Federal #42-9 | 43-037-31263 | SE NE (1850' FNL & 1140' FEL) Sec. 9-T39S-R25E |

OPERATOR CHANGE WORKSHEET

ROUTING

| | | | |
|--------|--|--------------------|---|
| 1. GLH | | 4-KAS | ✓ |
| 2. CDW | | 5- 3 70 | ✓ |
| 3. JLT | | 6-FILE | |

Enter date after each listed item is completed

X Change of Operator (Well Sold)

Designation of Agent

Operator Name Change (Only)

Merger

The operator of the well(s) listed below has changed, effective: **10-1-2000****FROM:** (Old Operator):

MERIT ENERGY COMPANY

Address: 12222 MERIT DR. STE 1500

DALLAS, TX 75251

Phone: 1-(972)-701-8377

Account No. N4900

TO: (New Operator):

JOURNEY OPERATING LLC

Address: 1201 LOUISIANA STE 1040

HOUSTON, TX 77002

Phone: 1-(713)-655-0595

Account No. N1435

CA No.

Unit: KACHINA

WELL(S)

| NAME | API NO. | ENTITY NO. | SEC. TWN RNG | LEASE TYPE | WELL TYPE | WELL STATUS |
|----------------------|--------------|------------|--------------|------------|-----------|-------------|
| HAVASU FEDERAL 11-19 | 43-037-31458 | 10654 | 19-38S-23E | FEDERAL | WI | A |
| ARABIAN FEDERAL # 2 | 43-037-31282 | 10654 | 19-38S-24E | FEDERAL | WI | A |
| | | | | | | |
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OPERATOR CHANGES DOCUMENTATION

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 10/20/2000
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 01/25/2001
- The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 02/06/2001
- Is the new operator registered in the State of Utah: YES Business Number: 4822566-0161
- If **NO**, the operator was contacted on: N/A
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the (merger, name change, or operator change for all wells listed on Federal or Indian leases on: 01/22/2001

7. **Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: N/A
8. **Federal and Indian Communization Agreements ("CA"):** The BLM or the BIA has approved the operator change for all wells listed involved in a CA on: N/A
9. **Underground Injection Control ("UIC") Prog:** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: 01/03/2001

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 02/06/2001
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 02/06/2001
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

STATE BOND VERIFICATION:

1. State well(s) covered by Bond No.: N/A

FEE WELLS - BOND VERIFICATION/LEASE INTEREST OWNER NOTIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed has furnished a bond No: _____
2. The **FORMER** operator has requested a release of liability from their bond on: N/A
The Division sent response by letter on: N/A
3. (R649-2-10) The **FORMER** operator of the Fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 01/31/2001

FILMING:

1. All attachments to this form have been **MICROFILMED** on: 2-21-01

FILING:

1. **ORIGINALS/COPIES** of all attachments pertaining to each individual well have been filled in each well file on: _____

COMMENTS:

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

| ROUTING | |
|---------|--|
| 1. DJJ | |
| 2. CDW | |

X Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

6/9/2006

| | |
|---|---|
| FROM: (Old Operator): N1435-Journey Operating, LLC 201 Louisiana, Suite 1040 Houston, TX 77002 Phone: 1 (713) 655-0595 | TO: (New Operator): N0265-Citation Oil & Gas Corp 8223 Willow Place South Houston, TX 77070 Phone: 1 (281) 517-7800 |
|---|---|

CA No.

Unit:

KACHINA

| WELL NAME | SEC | TWN | RNG | API NO | ENTITY NO | LEASE TYPE | WELL TYPE | WELL STATUS |
|-----------------------|-----|------|------|------------|-----------|------------|-----------|-------------|
| HAVASU-FEDERAL 22-19 | 19 | 380S | 240E | 4303731278 | 10654 | Federal | OW | P |
| HAVASU-FEDERAL 41-24 | 24 | 380S | 230E | 4303731279 | 10654 | Federal | OW | P |
| ARABIAN FED 2 | 19 | 380S | 240E | 4303731282 | 10654 | Federal | WI | A |
| ARABIAN FEDERAL 3 | 19 | 380S | 240E | 4303731287 | 10654 | Federal | OW | P |
| HAVASU FED 42-24 | 24 | 380S | 230E | 4303731298 | 10654 | Federal | WI | A |
| WASH UNIT 2 | 13 | 380S | 230E | 4303731324 | 10654 | Federal | WS | A |
| HAVASU FEDERAL 12-19 | 19 | 380S | 240E | 4303731457 | 10654 | Federal | OW | S |
| HAVASU FED 11-19 | 19 | 380S | 240E | 4303731458 | 10654 | Federal | WI | A |
| HAVASU FEDERAL 12-19A | 19 | 380S | 240E | 4303731459 | 10654 | Federal | OW | P |

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 6/23/2006
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 6/23/2006
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: _____
- Is the new operator registered in the State of Utah: YES Business Number: 793304-0143
- If **NO**, the operator was contacted on: _____
- (R649-9-2) Waste Management Plan has been received on: IN PLACE
- Inspections of LA PA state/fee well sites complete on: n/a
- Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 7/6/2006 BIA
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: 7/6/2006
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: 6/30/2006

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 7/31/2006
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 7/31/2006
- Bond information entered in RBDMS on: n/a
- Fee/State wells attached to bond in RBDMS on: n/a
- Injection Projects to new operator in RBDMS on: 7/31/2006

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: 104061650
- Indian well(s) covered by Bond Number: 104061656

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER:

See Attached List

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

See Attached List

8. WELL NAME and NUMBER:

See Attached List

9. API NUMBER:

See Attach

10. FIELD AND POOL, OR WILDCAT:

See Attached List

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL ☐GAS WELL ☐

OTHER _____

2. NAME OF OPERATOR:

Journey Operating, L.L.C.

N 1435

3. ADDRESS OF OPERATOR:

1201 Louisiana, Suite 1040

CITY

Houston

STATE

TX

ZIP

77002

PHONE NUMBER:

(713) 655-0595

4. LOCATION OF WELL

FOOTAGES AT SURFACE: See Attached List

COUNTY: San Juan

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

NOTICE OF INTENT
(Submit in Duplicate)

Approximate date work will start:

SUBSEQUENT REPORT
(Submit Original Form Only)

Date of work completion:



ACIDIZE



ALTER CASING



CASING REPAIR



CHANGE TO PREVIOUS PLANS



CHANGE TUBING



CHANGE WELL NAME



CHANGE WELL STATUS



COMMINGLE PRODUCING FORMATIONS



CONVERT WELL TYPE



DEEPEN



FRACTURE TREAT



NEW CONSTRUCTION



OPERATOR CHANGE



PLUG AND ABANDON



PLUG BACK



PRODUCTION (START/RESUME)



RECLAMATION OF WELL SITE



RECOMPLETE - DIFFERENT FORMATION



REPERFORATE CURRENT FORMATION



SIDETRACK TO REPAIR WELL



TEMPORARILY ABANDON



TUBING REPAIR



VENT OR FLARE



WATER DISPOSAL



WATER SHUT-OFF



OTHER: _____

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Journey Operating, L.L.C. advises, effective June 9, 2006, Citation Oil & Gas Corp. will become the operator of the wells on the attached list.

Citation Oil & Gas Corp. (N0265)

8223 Willow Place South

Houston, TX 77070

(281) 517-7800

Bond No.: 104325628 - \$120,000

BLM BOND = 104061650
BIA BOND = 104061656

By:

Robert T. Kennedy

Sr. Vice President Land

NAME (PLEASE PRINT) Brian A. Baer

TITLE President

SIGNATURE

Brian A. Baer

DATE

6/9/2006

(This space for State use only)

APPROVED 7/31/2006

Earlene Russell
Division of Oil, Gas and Mining

Earlene Russell, Engineering Technician (Instructions on Reverse Side)

(5/2000)

RECEIVED

JUN 23 2006

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

UIC FORM 5

TRANSFER OF AUTHORITY TO INJECT

| | |
|---|--|
| Well Name and Number Arabian Federal #2 | API Number 4303731282 |
| Location of Well Footage : 2180' FSL & 950' FWL County : San Juan Q&Q, Section, Township, Range: NWSW 19 38S 24E State : UTAH | Field or Unit Name Kachina Lease Designation and Number UTU-56186 |

EFFECTIVE DATE OF TRANSFER: 6/9/2006

CURRENT OPERATOR

| | |
|-------------------------------------|---------------------------------|
| Company: Journey Operating, L.L.C. | Name: Brian A. Baer |
| Address: 1201 Louisiana, Suite 1040 | Signature: <i>Brian A. Baer</i> |
| city Houston state TX zip 77002 | Title: President |
| Phone: (713) 655-0595 | Date: 6/9/2006 |
| Comments: | |

NEW OPERATOR

| | |
|-----------------------------------|-------------------------------------|
| Company: Citation Oil & Gas Corp. | Name: Robert T. Kennedy |
| Address: 8223 Willow Place South | Signature: <i>Robert T. Kennedy</i> |
| city Houston state TX zip 77070 | Title: Sr. Vice President Land |
| Phone: (281) 517-7800 | Date: 6/9/2006 |
| Comments: | |

(This space for State use only)

Transfer approved by: *[Signature]*
Title: *VIC (2006/13)*

Approval Date: 6/30/06

Comments:

RECEIVED
JUN 23 2006

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Citation Oil & Gas Corp.

3a. Address
8223 Willow Place South, Houston, TX 77070

3b. Phone No. (include area code)
281-517-7800

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
See Attached List

5. Lease Serial No.

UTU-56186

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
See Attached List

9. API Well No.
See Attached List

10. Field and Pool, or Exploratory Area
Kachina; Ismay

11. County or Parish, State
San Juan Co., UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other Change of Operator |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Effective June 9, 2006, Citation Oil & Gas Corp. will take over as operator of the above captioned lease(s) from Journey Operating, L.L.C.

Citation Oil & Gas Corp. hereby accepts the operatorship of the above captioned lease(s). Citation Oil & Gas Corp. will be responsible under the terms and conditions of the lease(s) for the operations conducted on the leased lands or portion thereof. Citation Oil & Gas Corp. bond coverage is provided under Bond No. 104061650 MTB000053.

RECEIVED
JUL 10 2006
BLM - UT
AM 9:15
950

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Robert T. Kennedy

Title Sr. Vice President Land

Signature

Robert T. Kennedy

Date

06/09/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

ACCEPTED

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title Division of Resources
Moab Field Office
Office

Date

7/10/06

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

cc: WDCGM 7/10/06

CONDITIONS OF APPROVAL ATTACHED

CHANGE OF OPERATOR
From Journey Operating, L.L.C. To Citation Oil & Gas Corp.
Federal Lease No.: UTU-56186
Kachina Unit
San Juan County, UT

| Well Type | Lease Serial No. | Field Name | Well Name/Number | API Number | Location of Well |
|----------------|------------------|------------|-------------------------|--------------|--|
| Injection Well | UTU-56186 | Kachina | Arabian Federal #2 | 43-037-31282 | NW SW (2180' FSL & 950' FWL) Sec 19-T38S-R24E |
| Oil Well | UTU-56186 | Kachina | Arabian Federal #3 | 43-037-31287 | NE SW (1470' FSL & 1750' FWL) Sec 19-T38S-R24E |
| Injection Well | UTU-56186 | Kachina | Havasus Federal #11-19 | 43-037-31458 | NW NW (940' FNL & 590' FWL) Sec 19-T38S-R24E |
| Oil Well | UTU-56186 | Kachina | Havasus Federal #12-19 | 43-037-31457 | SW NW (1840' FNL & 410' FWL) Sec 19-T38S-R24E |
| Oil Well | UTU-56186 | Kachina | Havasus Federal #12-19A | 43-037-31459 | SW NW (2520' FNL & 200' FWL) Sec 19-T38S-R24E |
| Oil Well | UTU-56186 | Kachina | Havasus Federal #22-19 | 43-037-31278 | SE NW (1850' FNL & 1255' FWL) Sec 19-T38S-R24E |

Citation Oil and Gas Corporation
All Wells on Lease
Section 19, T38S, R24E
Lease UTU56186
Grand County, Utah

CONDITIONS OF ACCEPTANCE

Acceptance of these applications does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that Citation Oil and Gas Corporation is considered to be the operator of the above wells effective June 9, 2006, and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for these wells is provided by MTB000053 (Principal – Citation Oil and Gas Corporation) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43CFR 3106.7-2 continuing responsibility are met.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

| | | |
|--|--|--|
| 1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____ | | 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-56186 |
| 2. NAME OF OPERATOR: Citation Oil & Gas Corp. | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 3. ADDRESS OF OPERATOR: P O Box 690688 CITY Houston STATE TX ZIP 77269 | | 7. UNIT or CA AGREEMENT NAME: |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2180' FSL & 950' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 19 38S 24E | | 8. WELL NAME and NUMBER: Arabian Federal #2 |
| PHONE NUMBER: (281) 891-1565 | | 9. API NUMBER: 4303731282 |
| | | 10. FIELD AND POOL, OR WILDCAT: Kachina |
| | | COUNTY: San Juan |
| | | STATE: UTAH |

| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | | |
|---|---|---|--|
| TYPE OF SUBMISSION | TYPE OF ACTION | | |
| <input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input checked="" type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> OTHER: _____ |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Citation Oil & Gas Corp. requests permission to plug and abandon the referenced well with the attached procedure.

COPY SENT TO OPERATOR

Date: 3.4.2010

Initials: KS

| | |
|--|---------------------------------|
| NAME (PLEASE PRINT) <u>Bridget Lisenbe</u> | TITLE <u>Permitting Analyst</u> |
| SIGNATURE <u>Bridget Lisenbe</u> | DATE <u>2/18/2010</u> |

(This space for State use only)

**APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING**

Federal Approval Of This
Action Is Necessary

RECEIVED

FEB 22 2010

DATE: 3/3/2010

BY: [Signature]

(See Instructions on Reverse Side)

DIV. OF OIL, GAS & MINING

* See Conditions of Approval (Attached)

CITATION OIL AND GAS CORPORATION

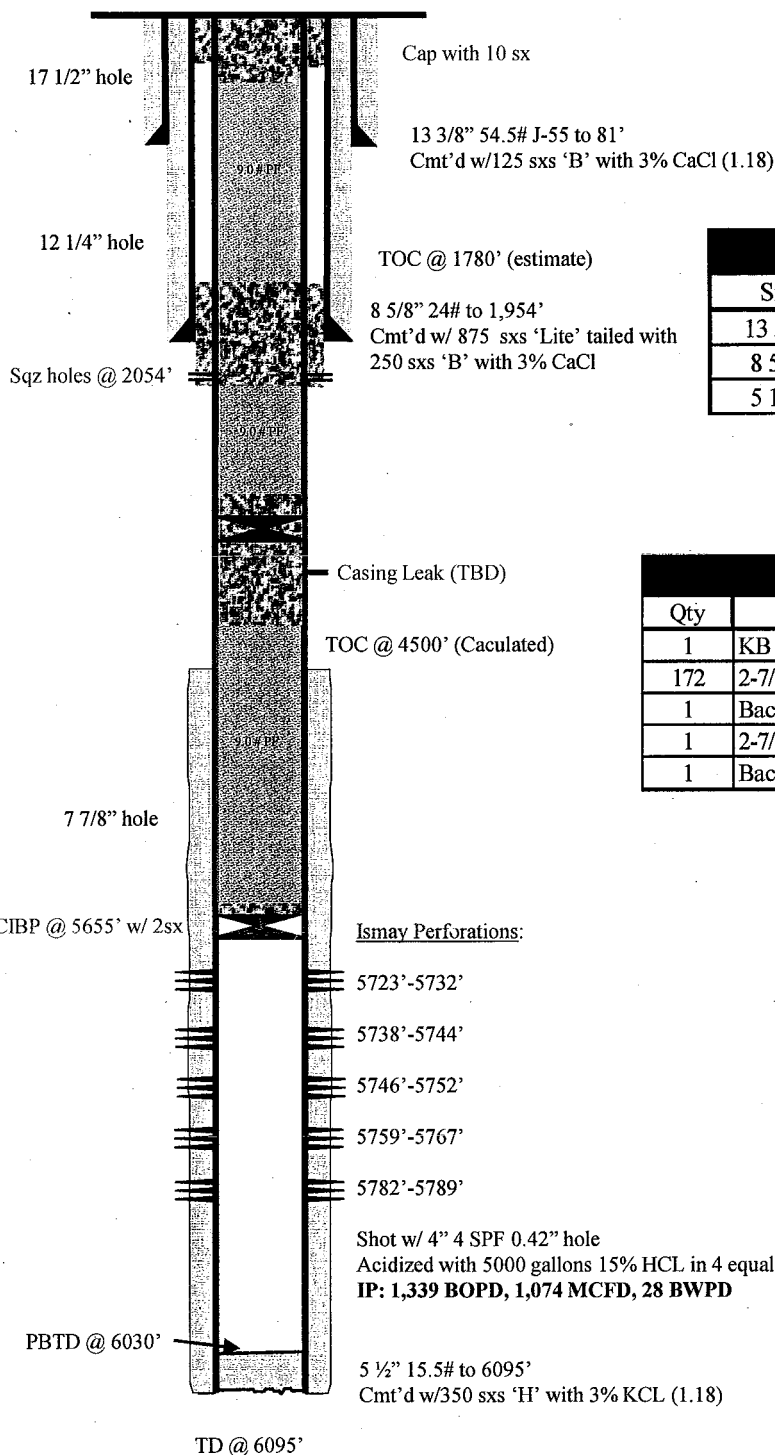
WELLBORE DIAGRAM AND INFORMATION

PROPOSED P&A

Well Name: Arabian Federal #2
Date: 02/16/2010
County: San Juan

Field: Kachina Unit
Location: NW SW Sec. 19 T38S R24E
State: UT

Surface: NW SW Sec. 19 T38S R24E
 San Juan County, UT
Completed: 12/06/1986
Elevation: 5082'
KB: 5096'
API #: 43-037-31282



| CASING DETAIL | | | |
|---------------|--------|-------|-------|
| Size | Weight | Grade | Depth |
| 13 3/8" | 54.5# | J-55 | 81' |
| 8 5/8" | 24# | J-55 | 1954' |
| 5 1/2" | 15.5# | J-55 | 6095' |

| TUBING DETAIL | | | |
|---------------|----------------------------|----------|----------|
| Qty | Description | Length | Depth |
| 1 | KB | 14.00 | 14.00 |
| 172 | 2-7/8" 6.5# J-55 EUE 8rd | 5,608.00 | 5,622.00 |
| 1 | Backer 2 7/8" R-nipple | 0.90 | 5,622.90 |
| 1 | 2-7/8" 6.5# J-55 EUE 8rd | 32.20 | 5,655.10 |
| 1 | Backer Inverted Lokset PRK | 6.90 | 5,662.00 |

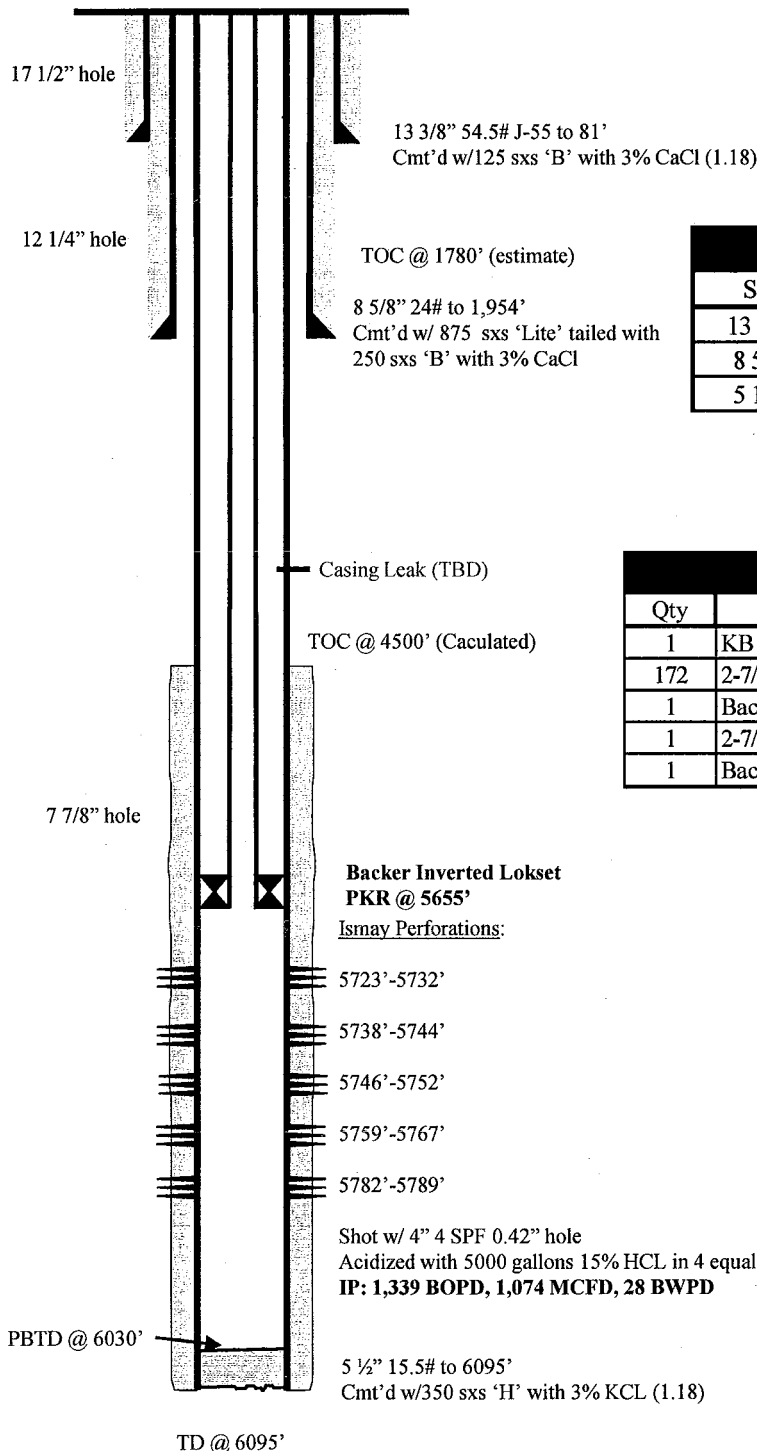
CITATION OIL AND GAS CORPORATION

WELLBORE DIAGRAM AND INFORMATION

Well Name: Arabian Federal #2
Date: 02/16/2010
County: San Juan

Field: Kachina Unit
Location: NW SW Sec. 19 T38S R24E
State: UT

| | |
|-------------------|--|
| Surface: | NW SW Sec. 19 T38S R24E San Juan County, UT |
| Completed: | 12/06/1986 |
| Elevation: | 5082' |
| KB: | 5096' |
| API #: | 43-037-31282 |



| CASING DETAIL | | | |
|---------------|--------|-------|-------|
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| 1 | Backer 2 7/8" R-nipple | 0.90 | 5,622.90 |
| 1 | 2-7/8" 6.5# J-55 EUE 8rd | 32.20 | 5,655.10 |
| 1 | Backer Inverted Lokset PRK | 6.90 | 5,662.00 |

PLUG AND ABANDON PROCEDURE

PROJECT: Plug and Abandon the Arabian Federal #2 in Kachina Unit

PRESENT FORMATION AND COMPLETION: Ismay Formation

TUBING: 2-7/8" 6.5# EUE 8rd

MISC.: Test injection tubing for future use in Kachina Unit

PROCEDURE

1. MI RU PU. ND WH and NU BOP.
2. Release Backer Lokset paker @ 5655'. TOO H with packer and tubing (Tally on the way out).
3. PU & RIH with 4-3/4" bit and scraper to 5,700' to check for obstructions. TOO H with bit and scraper.
4. TIH with RBP/PKR combination. Set RBP at +/- 3000'. Pull packer to 2970' and leave swinging. Pressure test to 1,000 psi to check for a casing leak. If pressure holds, continue down hole with RBP/PKR to find the top and bottom of the casing leak. Once casing leak interval is determined TOO H with RBP and PKR and proceed to next step.
5. RU WL and TIH with 5-1/2" CIBP and set at 5655'. Pressure test CIBP to 1000 PSI. If pressure holds, set 2sx on cement on top and proceed to next step.
6. Pump 9# packer fluid down the tubing (bbls to be determined)
7. TIH with CICR and set +/- 50' above casing leak.
8. RU cementers. Establish injection rate and pressure. Squeeze with 100 sx lite cement below CICR.
9. Sting out & cap w/10 sx cmt on top of CICR. PUH 2 stands & WOC.
10. Circulate 9# packer fluid (bbls to be determined). SI BOP & PT to 500#.
11. POOH w/tubing. RUWL and perforate 2 squeeze holes at 2,054'. RDWL.
12. RU cementers. Pump and squeeze 100 sxs to place Chinle/Surface casing shoe plug from 1,854'-2054' inside and outside the casing. (+/- 65 jts).
13. Circulate 9# PF to surface.
14. POOH with tubing to surface laying down leaving 3 jts in the hole. Spot 10 sack plug in production string and 10 sx into casing annulus to completely plug the hole.
15. Cap casing string with steel plate. Clean off location. Reclaim location and install P&A marker.



GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

CONDITIONS OF APPROVAL TO PLUG AND ABANDON WELL

Well Name and Number: Arabian Federal #2
API Number: 43-037-31282
Operator: Citation Oil and Gas Corp.
Reference Document: Original Sundry Notice dated February 18, 2010,
received by DOGM on February 22, 2010.

FEDERAL APPROVAL OF THIS ACTION IS ALSO REQUIRED

Approval Conditions:

1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.
2. **Amend Plug #1:** A 100' plug (± 12 sx) shall be spotted on top of the CIBP @ 5655' as required by rule R649-3-24-3.2.
3. **Amend Plug #4:** A minimum of 15 sx shall be placed inside the 8 5/8" x 5 1/2" casing annuli (perf @ 86').
4. All balanced plugs shall be tagged to ensure that they are at the depth specified.
5. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration.
6. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.
7. If there are any changes to the procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.
8. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.

Dustin K. Doucet
Petroleum Engineer

March 3, 2010
Date



Wellbore Diagram

API Well No: 43-037-31282-00-00

Permit No: UIC-114.2

Well Name/No: ARABIAN FED 2

Company Name: CITATION OIL & GAS CORP

Location: Sec: 19 T: 38S R: 24E Spot: NWSW

Coordinates: X: 647938 Y: 4147829

Field Name: KACHINA

County Name: SAN JUAN

String Information

| String | Bottom (ft sub) | Diameter (inches) | Weight (lb/ft) | Length (ft) | Capacity (f/ct) |
|--------|-----------------|-------------------|----------------|-------------|-----------------|
| HOL1 | 81 | 17.5 | | | |
| SURF | 81 | 13.325 | | | |
| HOL2 | 1954 | 12.25 | | | |
| II | 1954 | 8.625 | 24 | | |
| HOL3 | 6095 | 7.875 | | | |
| PROD | 6095 | 5.5 | 15.5 | | 7.483 |
| T1 | 0 | 2.875 | | | |

Cement from 81 ft. to surface

Surface: 13.325 in. @ 81 ft.

8 1/2" Hole: 17.5 in. @ 81 ft.

Plug #4 (step 11)

$$\text{IN } (10\%)(1.15)(7.483) = 86'$$

$$\text{OUT } (10\%)(1.15)(4.264) = 49' \rightarrow 155\text{ x req'd}$$

7 7/8" x 5 1/2" (108)

8 7/8" x 5 1/2"

4.0936

4.264

Cement Information

| String | BOC (ft sub) | TOC (ft sub) | Class | Sacks |
|--------|--------------|--------------|-------|-------|
| II | 1954 | | UK | 1125 |
| PROD | 6095 | 4450 | H | 350 |
| SURF | 81 | 0 | UK | 125 |

Cement from 1954 ft.

Intermediate: 8.625 in. @ 1954 ft.

Hole: 12.25 in. @ 1954 ft.

Cement from 6095 ft. to 4450 ft.

Tubing: 2.875 in. @ 0 ft.

Plug #3 (step 12)

$$\text{IN } 200' / (1.15)(7.483) = 246\text{X}$$

$$\text{OUT } (100\%)(1.15)(4.0936) = 225\text{X}$$

$$(94\%)(1.15)(4.264) = 264\text{X}$$

Perforation Information

| Top (ft sub) | Bottom (ft sub) | Shts/Ft | No Shts | Dt Squeeze |
|--------------|-----------------|---------|---------|------------|
| 5723 | 5789 | | | |

Plug #2 (50' above holes)

(step 7, 8)

Below

$$\text{IN } 50' / (1.15)(7.483) = 57\text{X}$$

$$\text{OUT } (95\%)(1.15)(4.0936) = 600' \text{ max var.}$$

Above

$$(10\%)(1.15)(7.483) = 115'$$

Formation Information

| Formation | Depth |
|-----------|-------|
| MRSN | 0 |
| ENRD | 758 |
| NAVA | 942 |
| WINGT | 1538 |
| CHIN | 1856 |
| CTLR | 2700 |
| HNKRT | 4620 |
| PRDX | 5546 |
| ISMV | 5696 |
| DSCR | 5954 |
| AKAH | 6061 |

TD: 6095 TVD: PBTD: 6050

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

| | | |
|---|--|--|
| 1. TYPE OF WELL: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____ | | 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-56186 |
| 2. NAME OF OPERATOR: Citation Oil & Gas Corp. | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 3. ADDRESS OF OPERATOR: P O Box 690688 CITY Houston STATE TX ZIP 77269 | | 7. UNIT or CA AGREEMENT NAME: |
| 4. LOCATION OF WELL: FOOTAGES AT SURFACE: 2180' FSL & 950' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 19 38S 24E | | 8. WELL NAME and NUMBER: Arabian Federal #2 |
| PHONE NUMBER: (281) 891-1565 | | 9. API NUMBER: 4303731282 |
| | | 10. FIELD AND POOL, OR WILDCAT: Kachina |
| | | COUNTY: San Juan |
| | | STATE: UTAH |

| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | | |
|---|---|---|--|
| TYPE OF SUBMISSION | TYPE OF ACTION | | |
| <input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input checked="" type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 6/14/2010 | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> OTHER: _____ |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS Clearly show all pertinent details including dates, depths, volumes, etc.

On June 10, 2010 Citation MIRU. Set CIBP @ 5650' w/ 2 sx cmt on top. Set 1st plug from 5434'-5645' w/ 24 sx cmt. Displaced with 30.5 bbls H2O. Mix and pump 9# gek. 20 bbls displaced down o 3600'. Set 2nd plug from 2638'-3644' w/ 117 sx Class B cmt. Circ wellbore w/ 9.6# brine & 9# gel wtr. Perf'd 3 holes @ 2054'. Set CR @ 1954'. Set 3rd plug from 2054'-1804' w/ 100 sxs of Class B cmt. Left 17 sx on top of CR. Shot 3 holes @ 100'. Set 4th plug from 100' to surface w/ 49 sx Class B cmt dn casing and out BH with good cmt. Well plugged 6/14/2010.

| | |
|-------------------------------------|--------------------------|
| NAME (PLEASE PRINT) Bridget Lisenbe | TITLE Permitting Analyst |
| SIGNATURE <i>Bridget Lisenbe</i> | DATE 7/6/2010 |

(This space for State use only)

RECEIVED

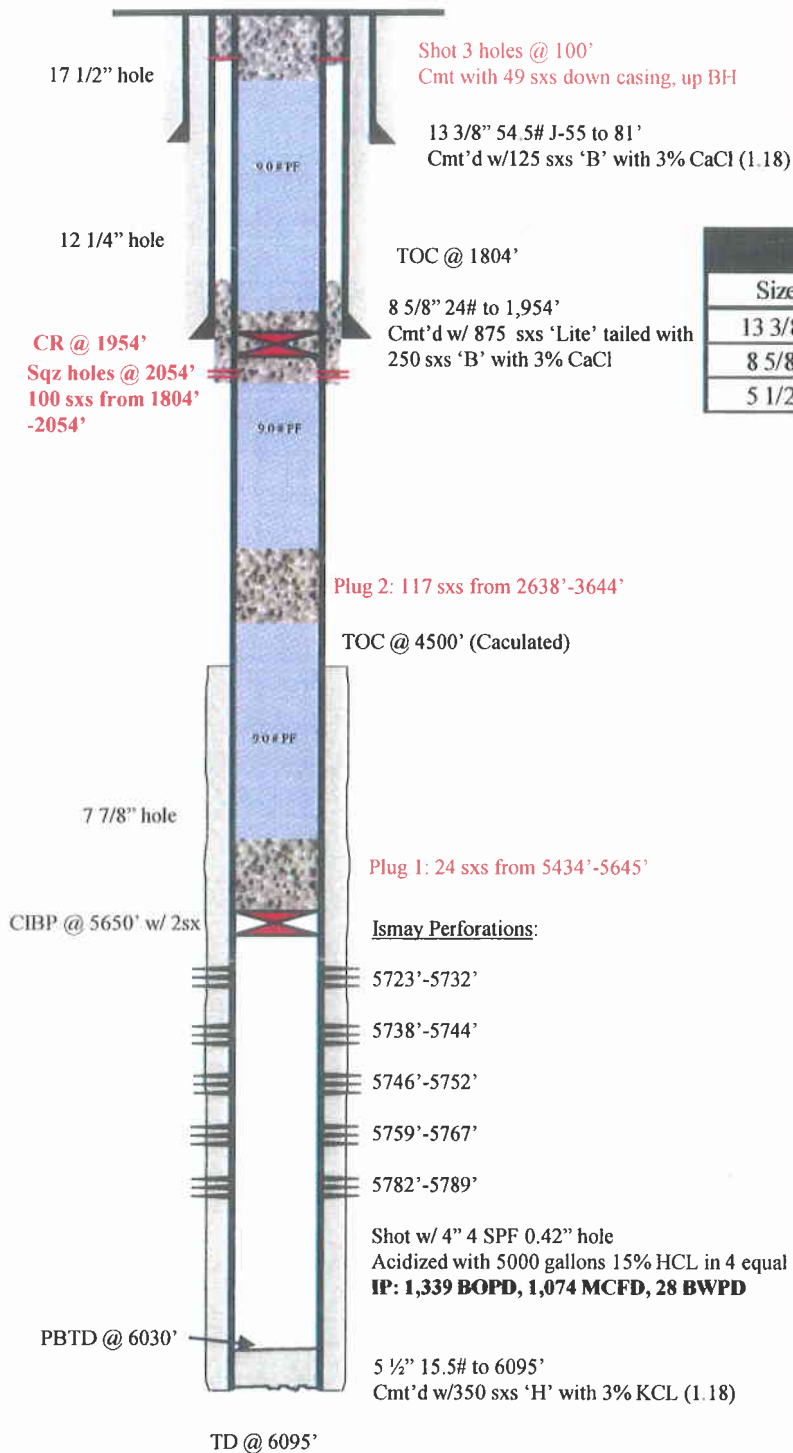
JUL 12 2010

DIV. OF OIL, GAS & MINING

CITATION OIL AND GAS CORPORATION WELLBORE DIAGRAM AND INFORMATION

| | | | |
|-------------------|---------------------------|------------------|--------------------------------|
| Well Name: | <u>Arabian Federal #2</u> | Field: | <u>Kachina Unit</u> |
| Date: | <u>07/06/2010</u> | Location: | <u>NW SW Sec. 19 T38S R24E</u> |
| County: | <u>San Juan</u> | State: | <u>UT</u> |

| | |
|-------------------|--|
| Surface: | NW SW Sec. 19 T38S R24E San Juan County, UT |
| Completed: | 12/06/1986 |
| Elevation: | 5082' |
| KB: | 5096' |
| API #: | 43-037-31282 |



| CASING DETAIL | | | |
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JUL 12 2010

DIV. OF OIL, GAS & MINING